



Daily Report

East Asia

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Japan

Kaifu Holds New Year News Conference

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[New Year's news conference with the cabinet press corps, given by Japanese Prime Minister Toshiki Kaifu at the prime minister's official residence in Tokyo; date not given—recorded]

[Text] [Kaifu] Happy New Year! I sincerely wish all of you and your families good health and happiness this year. I ask for your help in enabling Japan contribute to peace and stability in the world and, domestically, in making this year one in which the quality of life is enriched.

[Correspondent] Happy New Year, Mr Prime Minister! I am (?Kaijo) of KYODO, secretary of the cabinet press corps. We will now begin this news conference. You have stated that in the new year, 1990, you will have to have a contest [shobu]. I think perhaps you had Diet dissolution and general elections in mind when you said that. In reference to that, I want to ask you when you are considering dissolving the Diet. Also, what is the significance, or aim, of the forthcoming Diet dissolution?

[Kaifu] Till the end of last year, the government was grappling with the formulation of the draft budget. As a result, it was able to achieve the first goal toward healthy finance—extricating itself from the system of dependence on deficit bonds—which has been the goal of successive cabinets. The budget, I think, takes various aspects of national life into account. Until the reopening of the Diet session, I will devote everything in my power to coming to grips with diplomatic efforts, as my successive predecessors did.

There have been significant, dramatic changes in the area of foreign relations, and the whole world is groping to achieve a new world framework which transcends the cold war concept. Japan, therefore, must actively take part and cooperate in that framework and contribute to world peace and stability. In the area of foreign policy, we have, up to now, felt somewhat alienated from East Europe because it was behind behind the Iron Curtain and because there was a difference in ideology. East Europe is now in the midst of dramatic changes from socialism and communism to freedom and democracy. It has reached out even to Japan, asking for cooperation in establishing a new order. Therefore, when it comes to the question of Japan making significant contributions as a member of the advanced Western democracies, new changes in our foreign policy are possible. When I return home from my forthcoming overseas tour, I naturally plan to report my views to the Diet and ask it to deepen debate. In your question, you mentioned a contest, [Kaifu laughs] but, regarding the question of a time frame promoting the nation's confidence, I will make a decision.

[Correspondent] I am sorry I have to ask you again about the Diet dissolution issue. With the common perception that the Diet will be dissolved in late January and general elections held in February, both the government and opposition camps have already started racing ahead. We understand that you worked out a schedule in a considerably concrete detail when you met Liberal Democratic Party Secretary General Ozawa. In addition, Mr Prime Minister, you have often expressed your respect of the party's opinion. From this viewpoint, what do you think about this issue? One more point. What do you think about the handling of the draft supplementary budget, which will be the focal point at the Diet session when it reopens? Also, please state what you think of the schedule that will be followed after the Diet reopens its session.

[Kaifu] Generally speaking, there is a time frame for resuming the Diet sessions every year, based on common practice. As you all know, the Diet is scheduled to open in late January this year. The cabinet decides when to convene a Diet session, but it has been a long-standing practice that the government asks both the government and opposition parties within the Diet Steering Committee to decide when to reconvene a Diet session. I plan to follow that practice, taking those things into consideration. The Diet's schedule is a question to be decided by the Diet itself.

Regarding your question on the draft supplementary budget, I will submit it as soon as the government finishes preparing it. Since the supplementary budget is very important to national life, I hope that the Diet will pass it at the earliest possible date. Regarding the Diet's schedule and procedures, I will ask the Diet to examine them within the Steering Committee and make a decision in the latter part of January. But, as far as I am concerned, I am preparing a policy speech to the Diet.

[Correspondent] What do you think of the political situation which is actually operating under the assumption that the Diet will be dissolved in late January and general elections will be held in February?

[Kaifu] I have not decided specifically when, but the tenure of the House of Representatives members expires on 6 July, although this actually is only a pretext. There are external issues, the domestic situation, and the opinion of the party to take into consideration. I have been hearing about various things, but when I return home from my European tour, I think I will have to make a decision after taking various situations into consideration.

[Correspondent] I will ask you about the consumption tax issue, which is expected to be the biggest focal point after the general elections, confining my question to three points: First, when are you planning to submit to the Diet a review of the consumption tax, prepared by the Liberal Democratic Party [LDP], in the form of a bill? Second, Democratic Socialist Party Chairman Nagasue and other people are implying that they might

take part in the debate on a review of the consumption tax, saying that they will find it embarrassing if the consumption tax is left intact as it is. What do you think of these remarks? Do you have any intention to conduct a further review of the consumption tax in the course of holding debates in future? Next, in connection with relations with the opposition, former Prime Minister Takeshita and former Deputy Prime Minister Kanemaru made various remarks on a reorganization of the political world. What do you think of their remarks?

[Kaifu] Concerning the review of the consumption tax, since we have already worked out a revised program, we will submit it as a bill when the preparatory work is completed. Also, we hope that further deliberations will be held at Diet sessions. As for the bill submitted to the House of Councillors by the opposition, there was not just one bill advocating abolition of the consumption tax, but nine. If the consumption tax were to be abolished, a commodity tax ranging from 4 to 10 percent would be immediately reimposed on 75 categories of commodity goods. Meanwhile, according to the LDP tax reform plan, the corporate tax can be reduced to 37.5 percent, while the opposition plan stipulates that the reduction will be limited to 40 percent. Thus, I feel that the revision will be made in a retrogressive way. Moreover, the reduction will be allowed for a 2-year period only.

Among the opposition-submitted bills, there is also one on rereforming [sai kaikaku] the tax system. When I studied the bill, I noticed that taxes would be levied on incomes, assets, and consumption. Since it is stated that taxes will also be imposed on the services provided and at various stages of commodity circulation, it may not be appropriate to describe it as a consumption tax, but there is no mistake in saying that it is similar to the consumption tax. Therefore, it seems to me that this is not a bill for abolishing the consumption tax, but for reviewing the new consumption tax. Also, the bill merely states that a nongovernmental tax reform council would be entrusted with the reviewing work; the bill itself does not have any concrete substance.

I wish that the bill clearly contained concrete substance, because only then can we have deliberations, not on whether or not we should have a consumption tax, but on how the consumption tax should be reviewed and revised. If the opposition submits bills on subjects similar to the consumption tax in the future, they should contain concrete substance so that deliberations can be conducted. I believe this is the best way to deepen our people's understanding about our efforts to review the tax system.

In your second question, you mentioned that someone from the opposition had stated that it would be inconvenient to have the current consumption tax left intact as it is. In that case, the opposition should submit its own bill and our party will submit our own, and in the course of deliberations on these bills,—since this concerns something that will take place in the future, perhaps I

should not speak on the basis of presupposition or speculations—consultations could be held between the ruling and opposition parties if the two sides agree to do so. Frankly speaking, in view of the duties assigned to the Diet, it is possible to achieve a step forward in this matter through such consultations.

Concerning various questions you mentioned in the third part of your statement, they are not related to the consumption tax issue alone. Amid the changes taking place in both the House of Representatives and the House of Councillors at the current Diet sessions time-consuming and energetic talks were held between the ruling and opposition parties on each one of various bills, including the Basic Land Law and the Pension Law, and, after reaching agreements, some of the bills have been revised, while others have been adopted. Thus, further talks will be held and persuasive efforts to win understanding will be made between the ruling and opposition parties on various issues, but such efforts will not be limited to handling the consumption tax issue alone.

[Correspondent] Next, I would like to ask questions on policies. My question concerns the idea of establishing a fair society which, Mr Prime Minister, you have advocated since your inauguration. In connection with this idea, I think that the most urgent task in achieving a fair society is to correct the gap in the people's assets [shisan kakusa]. Above all, how do you plan to implement the land policy this year? Last December, the Diet passed the bill on the Basic Land Law, which had been pending, and a decision was made on the 10 emergency measures to deal with land problems. Through these measures, would there eventually be a drop in land prices, or would white-collar workers be able to own their own homes? I would like to ask your views on these questions.

[Kaifu] As you have just mentioned, one of the major achievements at the Diet last year was the adoption of the Basic Land Law, which stipulates various ideas about land problems, including articles to the effect that land should be utilized for the public use, and that land should not be used as an object for speculation.

As for the government, a plan for setting up a council of cabinet members concerned with land measures was worked out on 12 December last year. Various measures will be implemented by the end of the fiscal year 1990. They include the promotion of specifying and utilizing land lots, including lots utilized for nonspecific purposes and land lots that are not being utilized; zoning land lots in the urban planning area into farmland to be conserved and lots to be used for housing projects; assigning lots as land for production and land for greening in order to promote conservation plans and housing projects as well as reviewing conditions for deciding such divisions; and the promotion of measures to deal with land problems by thoroughly implementing the system of monitoring areas where transaction or utilization of lots are monitored by local governments. The council will decide on these

measures at its first session, after which they will then be implemented by various ministries concerned.

Furthermore, some concrete measures will be taken in regard to the national budget. According to a survey we recently conducted on the ratio of the funds to purchase a house together with land to the amount of annual income, it is regrettable that while the ratio is 4 to 5 times in the West European nations, it is very high in Japan, reaching 7.5 times. In this concern, we hope that results will be achieved by implementing all these policy measures.

As for urgent measures, we have increased, in the draft budget approved recently, the number of housing units to be granted loans for purchasing land by public financial corporations to 550,000 units. At the same time, the amount of loans to be approved for leasing apartment houses in the greater Tokyo metropolitan area will be increased. In other words, we have made efforts to work out various policy measures through careful consideration, and I am determined to carry out this policy by taking such measures.

[Correspondent] Next, I would like to ask your views on political reform. Although the Kaifu cabinet began with slogans of dialogue and reform, it has been said among our people that somehow, not much effort has been made on political reform. I would like to hear your views on concrete measures to tackle political reform in greeting the Diet's centennial in November.

[Kaifu] Political reform means that to restore the nation's trust in politics, we ourselves must carry out reform based on our self-reflection over a series of incidents. I think we did our best to tackle this issue last year. At the Diet sessions, we have achieved a partial revision of the Public Office Election Law, which was regarded as a very difficult job at first. The bill mainly concerns the revision of regulations to control spending of political funds, and the revised law will be put into effect beginning 1 February this year.

Moreover, following the model of the British Anticorruption Election Law of 1883, various regulations on the spending of funds attached with very severe penalties, including suspension of civil rights—which is the most severe penalty for politicians—are included in the revised law. Frankly speaking, I would like to express my respect for the deliberations held between the ruling and opposition parties in promoting the passage of the bill.

However, as for the bill on revising the Political Contribution Control Act, which was also submitted by the LDP on such issues as the control of the source of political funds, no conclusion has been reached through deliberations, and the act has been left intact as it is. In this connection, I still strongly hope that various parties will continue appropriate deliberations on this bill.

Since the revision will be the first step in promoting political reform, it is necessary for the Diet to pass the submitted bill. However, it goes without saying that the

point at issue lies basically in making it easier for the people to understand the relationship between politics and political funds. Or rather, we should not start from the idea that it is quite natural for politics to need funds; rather, we should study such issues as whether there exists a form of politics requiring no funds, and, if such politics should exist, what form it would take. If funds are definitely required to pursuing politics, public funds should be appropriated for political activities, just as in the United States or Germany, because politics is pursued to serve the state, the society, and the people. As part of political reform, I think that the Diet should be asked to once again deliberate this system.

From another viewpoint, it has been pointed out that in promoting political reform, greater attention should also be given to such aspects as the election system and the apportionment of Diet seats. It has also been pointed out that consideration should be given to eventually working out a policy-oriented election system under which election can be held through the campaigning of policies. Since I feel that all these measures are very important, I have been taking them into consideration. As I have asked the Election System Council of the government to energetically study these measures now, I expect that the council will submit its recommendations by late March this year. Once I have the council's recommendations, I will respect its recommendations to the maximum, and since this issue concerns the Diet, I will ask various parties for further deliberations so that results can be achieved in promoting political reform. This is how I feel about the issue now.

[Correspondent] Now, we would like to ask about your views on foreign affairs. Concerning the drastically changing international situation, Mr Prime Minister, you have just used an expression of a new framework.

First of all, please state your views on the relations between the United States and the Soviet Union, the East-West situation, and on the prospects for this year and the rest of the 1990's. What changes do you think there will be?

As for the second question, you will soon be leaving for a European tour, including two East European nations of Poland and Hungary, on 8 January. You have just explained a little, but would you please give a more concrete explanation about the importance of your upcoming European tour?

[Kaifu] Concerning your first question on my understanding of the current world situation centered on the relations between the United States and the Soviet Union, I think that this is an era in which both the East and the West are still groping about for a way to shift from the framework of East-West confrontation to a new framework that transcends the cold war concept. As a result of the change from U.S.-Soviet confrontation to dialogue, the leaders of the United States and the Soviet Union have deepened their personal relations of mutual trust, and this trend is influencing various other areas. I

think that this contributes to world peace and stability. I also think that this is a very desirable direction.

When I received a phone call from President Bush right before his departure for the Malta talks, the President stated these concepts. I said that since the peoples of the whole world are truly expecting peace, it should be made to take root, and that for the sake of peace and stability—not merely for the people in Europe or in the Mediterranean area, but also for the people in the Asian-Pacific region and the entire world as well—I sincerely hope that it will be possible to transcend the framework of the East-West confrontation.

Dramatic changes have taken place in various East European nations, and the political and economic systems of socialism and communism have collapsed. Even the Berlin Wall, which has been a symbol of the East-West confrontation, has tumbled down, dramatic changes are now taking place in Europe.

Your next question concerns the purposes of my visit to Europe. I feel that since Japan has chosen to live in freedom and democracy during these past postwar years, we have thus far been able to build a peaceful, affluent, and bright nation under the circumstances as a fortunate member of the community enjoying freedom and democracy.

Now, if the peoples of East European nations, particularly Poland and Hungary, where the people are experiencing dramatic changes, should request that Japan extend a helping hand—saying that they would also like to share valued freedom and democracy—then, since Japan has joined in the summit declaration, I want Japan to extend its hand positively and render as much cooperation as possible to ensure that freedom and democracy—new goals of these countries—will take root and not retreat. For this reason, I will also personally meet with leaders of East Europe and deepen my personal trust of them and, at the same time, achieve a definite understanding of the situation.

At the same time, since I feel that it is important for Japan and various nations—European Community nations of the West that share the same values with us; Japan and the United States; and the entire West—to join their efforts in promoting policy coordination or in taking concerted actions, I will meet and hold talks with as many top leaders of the West bloc as possible by taking advantage of this opportunity. This is how I feel in leaving for my visit to Europe.

[Correspondent] I will continue my questions on foreign affairs. Dramatic democratization has been continuously taking place in East Europe. My first question concerns whether these events will have influence on Asia, and how such moves will affect the security system in Asia.

My next question concerns the fact that since something like the ending of the cold war was mentioned at the U.S.-USSR summit talks, it can be observed that there

should be some qualitative changes to the Japan-U.S. security pact. What is your view on this question?

[Kaifu] First of all, this may sound a little bit like a comprehensive view. Since the scheme of confrontation or conflict between the United States and the Soviet Union is now shifting to a scheme of dialogue and cooperation, I sincerely hope that this shift will not be a change merely in Europe, but will also have favorable influence in the Asian-Pacific region.

However, no visible changes similar to various structural changes that have dramatically taken place in Europe have been noticed so far. Nevertheless, the fundamental difference lies in the fact that the confrontation between the two military blocs—the Warsaw Pact organization and NATO—constitutes the situation in Europe, and there are also many geopolitical differences. Therefore, I feel that it would be rather simplistic to view this issue at precisely the same level as that of Asia.

At the same time, as a result of the changes in East Europe, as you know, the people of all countries are trying to help one another, and the hope of eliminating the cold war structure is widespread. However, looking at the reality in the Asian-Pacific region—for instance, Cambodia—comprehensive peace has not yet been achieved, and the civil war is still going on. The Paris conference is at a standstill, but since further efforts will be made in February, we hope that peace will be achieved there by all means. If peace is achieved in Cambodia, Japan will go so far as to advocate a rehabilitation conference and make significant contributions to peace and stability in Asia. The situation on the Korean peninsula, our neighbor, cannot yet be called stable or free of concern. I think there are still hurdles to be cleared. Japan is proposing to North Korea the holding of intergovernmental talks without any preconditions attached. On the pending issue of the repatriation of two crewmen of No 18 "Fujisan Maru," we have made various efforts, but their repatriation still remains to be realized. In addition, there are many other problems to be resolved. We must think about bringing stability to the Korean peninsula. These are our problems in Asia. There are also problems pending with China and the Soviet Union. Therefore, while heartily hoping that there will be a good influence on stability and peace in the Asian-Pacific region, I think that Japan should continue to exert as much effort as possible toward this goal, and help create a situation of peace and stability.

[Correspondent] How about the Japan-U.S. Security Treaty?

[Kaifu] As you know, at that crucial time after the war, at peace talks with all parties, Japan chose between the camp of freedom and democracy and that of the other world, concluding the Japan-U.S. Security Treaty and becoming a member of the free world. The treaty has significant merit in that it made it possible for Japan to continue defending its security through the maintenance of very moderate defense capabilities in Asia. However,

the Japan-U.S. Security Treaty should not be evaluated in military terms only. Looking back on it to date, it was and is the very foundation for relations of trust between Japan and the United States. At the same time, it has made it possible for Japan to continue on its course to date, without causing our Asian neighbors to feel threatened. I believe this has been possible because of the relationship of trust between Japan and the United States, which has existed all along under Japan-U.S. security arrangements since the war. The treaty was not created in a state of cold war to prepare for the cold war; rather, the Japan-U.S. Security Treaty, as you know, was created to help Japan maintain peace. Therefore, even if the Malta summit meeting was aimed at changing U.S.-Soviet confrontation to peace and coexistence, there will be no change in its quality, nor have I the intention of doing something about it.

[Correspondent] I want to ask you about Japan-U.S. trade friction. Since off-year elections will be held in the United States this year, some predict that pressure on Japan will intensify. In concrete terms, how will you come to grips with the trade friction issue, and how do you view the issue?

[Kaifu] I understand very well that there are a variety of views on the U.S. side. At the Japan-U.S. summit meeting, I heard about them in person, and I also personally talked about them. In the final analysis, since the two countries have many things to talk about, we will continue to talk at the current Structural Impediments Initiative [SII] consultations on six or seven items. However, to date, the Japanese side has continued to exert efforts, regarding it not as a relations problem with the United States, but as something it must resolve independently in order to enrich the livelihood of its own nation. If we continue these efforts actively, I think we will help to redress the trade imbalance problem as well.

To cite an example, some advocate that, since the problem is said to lie in a trade imbalance, Japan should import more goods for one thing, and actively pursue an domestic economic policy, aimed at expanding domestic demand, for another. For the past few years, Japan has come to grips with structural reform, which had its start in the so-called Maekawa Report, and spelled out economic policies designed to expand domestic demands. Fortunately, as a result of healthy business activity during the past 4 years, in the ratio of contributions between domestic and external demands, domestic demand is gradually increasing, while external demand is on the decrease. This tendency is showing up in our domestic economic system.

In the area of imports, should they be promoted, it would mean that Japan would be in a totally different position from its former one. At the time of adopting tax reform last year, a tax system, designed to promote imports, under which those who imported 10 percent or more goods than the preceding year would be given special favors under the tax system, was enacted at the end of

debate. We are making every effort. In the budget for this fiscal year, we incorporated a variety of policies designed to increase imports from the United States—a total of \$100 million—resulting in increased imports. We shall continue to strive to promote imports. I think we shall have to continue talks with the United States, taking this information into account. The land price issue, which I mentioned earlier, is one of the issues pointed out by the U.S. side, as is redress of the price differences between Japan and other other countries. We want to come to serious grips with the price difference issue—last year, we established a task force comprising officials from the government and the ruling party, with me at its head, in order to eliminate the difference in prices at home and abroad. It has already held its first meeting, and its second is set for the day after I return from Europe. Through these efforts, we shall strive independently for the sake of our national life, and I think that, as a consequence, these efforts will lead to the resolution of the trade imbalance issue after all.

[Correspondent] I want to ask you about Soviet policy. As you mentioned earlier, the termination of the cold war was confirmed at the Malta summit, and the United States and the Soviet Union agreed to hold dialogues. In the area of Japan-Soviet relations, Secretary Yakovlev, the No 2 man, came to Japan and made remarks about the so-called third way. So, we think that some good signs were detected in improving Japanese-Soviet relations. Next year, General Secretary Gorbachev is finally scheduled to visit Japan. In that sense, we believe this will be a year for Japan to prepare for the Gorbachev visit to Japan. In March, Foreign Minister Shevardnadze is scheduled to come. In this connection, what sort of Soviet policy do you have in mind, Mr Prime Minister? To Japan, there remains the northern territorial issue, which should be called the axis of its Soviet policy. Specifically, I wish to ask you if you are considering taking active action to evoke changes in the Soviet position.

[Kaifu] The most important task in our relations with the Soviet Union is to conclude a peace treaty and build up truly stable relations after resolving the northern territories issue. This is, no doubt, the most important task. Last year—I am sorry—2 years ago, a working group on the peace treaty was established between the two countries, and many rounds of talks have been held at that venue. About 15 years ago, I worked here in this official residence as deputy chief cabinet secretary. At that time, the northern territories, or peace treaties, issue received quite harsh treatment. The Soviets said the issue was already resolved, or that it was nonexistent. Recently, Politburo member Yakovlev visited Japan. When I met him, I could feel something different. He said that there has been no progress in Japan-Soviet relations, because Japan is particular about the territorial issue. He asked if Japan could not take a flexible position, like broadening the width to help develop relations of trust in wider, greater areas. I don't think I am quoting him exactly, but, anyway, I engaged in talks with him under that impression.

I think the northern territorial issue must be resolved properly as a matter of principle, and the conclusion of a peace treaty is a major premise. Since we already have a peace treaty working group, I hope to see rapid progress in this work, and I also hope that this will materialize. At the same time—should I call it an expanded equilibrium?—Japan has conveyed to the Soviet side a five-point formula for so-called expanded equilibrium, calling for the conduct of business relations in the areas practicable, the promotion of personnel exchanges, and the exchange of visits by top leaders, beginning this coming spring. In the course of making rapid progress at the peace treaty working group, I am optimistic about the territorial issue as well. Although it may become a considerably long process, I am afraid that we shall have to exchange personnel and cooperate in various areas, while continuing the dialogue patiently and quietly. At the U.S.-Soviet Malta summit, both sides agreed to change their positions from one of confrontation to that of dialogue, and extended hands of cooperation to each other. In the Soviet Union itself, General Secretary Gorbachev changed his policy to perestroika in the domestic area, and the new, flexible so-called new thinking in the foreign policy area. It may be too easy to say this, but since dramatic changes have taken place in East Europe, and the new thinking foreign policy seems to call for peace and prosperity in the world, we shall look forward to seeing good things happen. There are two rounds of foreign ministerial talks scheduled for this year. So, we shall continue those talks further and patiently hold talks at the peace treaty working group in the hope of finding a clue to resolution. Since the Soviet Union is our neighbor, I have a strong desire to keep building stable relations with them.

[Correspondent] My question concerns another foreign policy issue, that of relations with China. Since the Tiananmen incident last year, the relationship between Japan and China has remained cool. However, the United States relaxed its sanctions against China last year. What is a concrete schedule for improving Sino-Japanese relations this year, and what sort of a scenario do you have in mind for resuming Japan's yen credit to China? If the sanctions are to be relaxed, there must be moves in China warranting such a relaxation. What is your perception in this regard?

[Kaifu] Certainly, the Tiananmen incident was regrettable to us, and it is true that, for this reason, our relations with China have been at a stalemate. Frankly, however, I think it does no good for the sake of stability in Asia and peace in the world to drive China into isolation. You asked what I would do with the yen credit issue, and if there was a response from the Chinese side. I have received messages from the Chinese side, through various people, that China will absolutely not change, but will continue its open door and reform policies. I also constantly hear from business leaders and my colleague Diet members from our party who visit China that those policies will remain unchanged. I think it will be no good if China and the West are alienated from each other and

continue emotional confrontation. The other day, Mr Scowcroft, adviser to the U.S. President, called on me on his way back home from a visit to Beijing and told me various things about the Chinese situation. I believe that the United States agrees with us in the perception that China should not be kept isolated, but wants to see her lay the groundwork one way or another, or display an attitude which is convincing to the West. So, I am telling the Chinese side that, since Japan does not have the slightest intention of giving up the third yen credit, they could somehow lay the groundwork in a convincing manner to the West. However, since I do not think the situation will remain the same forever, I plan to start with exchanges of suitable personnel around spring and end that stalemate. Roughly, that is what I have in mind.

[Correspondent] There was a brief reference to the Korean peninsula issue earlier. Could you comment in a little more detail on the question of improving relations with North Korea?

[Kaifu] To begin government-to-government dialogue without any preconditions attached to it—that is what we have been proposing in various ways, and eventually to build up stable relations with the DPRK—that is our basis in dealing with the North Korean question, to put it simply.

[Correspondent] I would like to turn to a different subject for my next question. The international antidisaster 10-year period starts this year. What plan in this regard does the government have for Japan as a country contributing to the world?

[Kaifu] As you said, the international antidisaster 10-year period begins this year. I think that since Japan has abundant experience with natural disasters and has devised countermeasures learning lessons from such experience, it can help other countries. We will first hold a training program for participants from developing countries in February. Japan will sponsor an international conference along with a commemorative program dealing with the question in the fall. Toward the major objective of all nations cooperating in protecting the nations and the people from losses and damages from natural disasters, I think Japan should do its part in a positive manner.

To deviate a little from the subject, preservation of the global environment has been a major topic of talks in international relations, along with the antidisaster question. Japan has studied ways it can contribute to the world in that respect. There are many aspects to the environmental problems. As you know, scientists from across the world met in Tokyo last year to discuss how nations should tackle the problem of contamination by water and air, which can spread from one country to another.

Japan set up the Environmental Agency in 1970 to cope with pollution problems arising from contaminated air, and to help devise ways for industrial plants to grow without causing pollution in this small nation, and has

since acquired appropriate technology to deal with various problems of pollution. Hence, Japan is in a position of being able to provide assistance on the pollution question to developing countries, while also helping countries with ways of countering natural disaster problems during this international antidisaster 10-year period.

[Correspondent] Thank you so much for sharing your time with us. Even though we know from your political schedule that you have a huge workload awaiting you [words indistinct], we still hope that you will do what you can for the people's well-being and world peace. Thank you again.

[Kaifu] Thank you. I solicit your continued support this year.

Kaifu Agrees to 24 Jan Lower House Dissolution

OW2812152189 Tokyo KYODO in English 1419 GMT
28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—The government and the ruling Liberal Democratic Party (LDP) on Thursday agreed on a plan to dissolve the House of Representatives on January 24, two days after a regular session of the Diet reopens following a month-long year-end and New Year recess, political sources said. The sources said a general election for the lower house is accordingly expected to be held February 18.

The agreement was reached at a meeting between Prime Minister Toshiki Kaifu and LDP Secretary General Ichiro Ozawa Thursday afternoon to discuss the future political calendar. They also set the resumption of the ordinary Diet session for January 22 because Kaifu is scheduled to return from his 12-day visit to Europe on January 18, the sources said. The prime minister plans to visit Poland, Hungary, West Germany, France, Britain, Italy and the European Community (EC) Headquarters in Brussels.

Kaifu will disband the lower house after representatives of the LDP and the opposition Japan Socialist Party question the prime minister on his policy speech, to be delivered at the outset of the resumed regular Diet session. Kaifu has given up his intention to win Diet approval of the 1989 supplementary budget before the dissolution of the house, the sources said.

Soviet Envoy Urges 'Full' Economic Ties

OW0201123690 Tokyo KYODO in English 1208 GMT
2 Jan 90

[Text] Tokyo, Jan. 2 KYODO—Soviet Ambassador to Japan Nikolay Solovyev urged Japan Tuesday to pursue full economic and business relations with his country despite a continuing dispute over Soviet-held northern islands claimed by Japan. Solovyev made the call in a New Year's message to the Japanese people in an interview with the KYODO NEWS SERVICE.

He deplored Japan's demand for the return of the islands—Kunashiri, Etorofu, Shikotan and the Habomai group—as a precondition for a peace treaty and full economic cooperation with the Soviet Union. The Soviet Union has held the islands off Hokkaido since the end of World War II.

"No progress will be made in economic, technological and other relations between the two countries if Japan only insists on the return of the four islands," Solovyev said. "The Soviet Union understands Japan's position on the territorial issue but Moscow also has legitimate grounds from the historical and legal points of view," he added.

Solovyev acknowledged that mutual distrust exists between Japan and the Soviet Union due to the Russo-Japanese War of 1904-1905, the occupation by Japanese Armed Forces of Siberia shortly after the 1917 Russian Revolution and the Soviet declaration of war on Japan in late World War II but said it must be overcome. Japan and the Soviet Union failed to make progress on the territorial issue in mid-December after Soviet negotiators called on Japan to heed the results of World War II.

"Japan and the Soviet Union should take the initiative to promote disarmament and ease the military confrontation between the two countries in the Pacific," he said.

Referring to remarks he made to Japan Socialist Party Chairwoman Takako Doi on October 12, Solovyev said he never told Doi that Soviet President Mikhail Gorbachev would visit Japan by March 1991. Solovyev said Tokyo and Moscow have yet to decide on a definite schedule for Gorbachev's visit to Japan, but added that he would visit the country sometime in 1991.

Regarding perestroika or restructuring, Solovyev said Gorbachev is not seeking the end of socialism but wants socialism based on democracy and Leninism. Gorbachev unveiled perestroika on the front page of the Soviet Communist Party paper PRAVDA in November 1988.

Sources View Alleged USSR Reduction in SRV

OW3112100189 Tokyo KYODO in English 0923 GMT
31 Dec 89

[Text] Tokyo, Dec. 31 KYODO—The Soviet Union may have started reduction of its naval forces stationed in Cam Ranh Bay in Vietnam, possibly as part of President Mikhail Gorbachev's global peace initiative, Japanese Defense Agency sources said Sunday. The sources said that this speculation was backed by the Japanese Maritime Self-Defense Force's watch on the movement of Soviet naval ships around Japan which indicated more northward moves from Vietnam. The north-bound vessels, which increased after summer, outnumbered ones which headed south from the Soviet Far East region by more than 10 ships during 1989, according to the sources.

Defense Agency sources also said Air Self-Defense Force confirmed on December 19 a total of 12 Soviet reconnaissance and bombardier planes flying in a formation toward the Soviet Far East. This number is equivalent to about half the estimated number of Soviet military aircraft stationed in the Cam Ranh Bay area, they said. The Soviet Union started to strengthen its military deployment in the area, a key strategic point in the South China Sea, in early 1980s and now some 25 naval vessels from Vladivostok are believed to be permanently stationed there.

However, there are no signs that indicate a change in the Soviet naval buildup in the Pacific on the whole. The Soviet Pacific Fleet conducted drills of the same scale and frequency as in previous years, the sources said. The Soviet Union can redeploy naval units to Vietnam at any time as base facilities have been greatly expanded in Cam Ranh Bay area, they said. Experts in the Defense Agency said they do not see a complete Soviet military withdrawal from Vietnam in the foreseeable future.

The experts said the moves will not directly influence Japan's defense policy for the time being as they think the Soviets would continue to use Cam Ranh Bay facilities to maintain the Soviet military presence in the Indian Ocean.

Nakayama To Meet Baker, Shevardnadze at UN

OW2912191889 Tokyo KYODO in English 1112 GMT 29 Dec 89

[Text] Tokyo, Dec. 29 KYODO—Foreign Minister Taro Nakayama will attend a special United Nations meeting on drugs to open in New York on February 20, government sources said Friday. The sources said Nakayama will pledge Japan's economic and technical cooperation for drug-producing countries to help them become independent from the drug trade. It will be the first such U.N. session on the drug problem.

July's Paris summit of seven major Western advanced nations agreed to step up international cooperation to cope with the drug issue.

Nakayama plans to hold talks with U.S. Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze who will attend the U.N. meeting, the sources said. Nakayama's talks with his U.S. and Soviet counterparts will follow talks between Baker and Shevardnadze scheduled for January. Nakayama will talk with Shevardnadze on his visit to Japan slated for mid-March as well as discussing the international situation and bilateral issues, the sources said.

Nakayama Leaves on Visit to Thailand, Malaysia

OW0201060590 Tokyo KYODO in English 0505 GMT 2 Jan 90

[Text] Tokyo, Jan. 2 KYODO—Japanese Foreign Minister Taro Nakayama left for Bangkok on Tuesday for a 5-day visit to Thailand and Malaysia. Nakayama will

meet with Thai Prime Minister Chatchai Chunhawan and Foreign Minister Sitthi Sawetsila on Wednesday. He will fly to Kuala Lumpur and hold talks with his Malaysian counterpart Omar Abu Hassan later in the day.

The foreign minister will return to Tokyo on Saturday after paying a call on Malaysian Prime Minister Mahathir bin Mohamed on Friday.

Official Views Australian Plan for Cambodia

OW2812125489 Tokyo KYODO in English 1130 GMT 28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—Australia's proposal for a U.N. trusteeship of Kampuchea "merits serious consideration," a high-level Foreign Ministry official said Thursday.

"Japan thinks the Australian idea merits serious consideration and we are certainly willing to discuss it further with other consultative parties, including the Australians," said the official, speaking on condition of anonymity. But the official added that the substance of the proposal, which envisions a U.N. interim administration to run Kampuchea until internationally supervised elections can be held, "remains vague" on such points as costs and legality.

"It would involve quite a sizable cost, entailing more people and money, and it has not been clarified how these costs will be financed," the official said.

"On the legal side of the issue, the U.N. Charter clearly states nonintervention in the internal affairs of member countries," the official said.

"So if the intention of the Australian proposal is for the United Nations to take over full administration, it may conflict with the charter," he said. "This should be further studied with the help of field experts." The official acknowledged that the proposal made last month by Australian Foreign Minister Gareth Evans has lent forward motion to the stalled Kampuchean peace process.

Vietnam and the allied Kampuchean Government in Phnom Penh have recently accepted a U.N. role in mediating the 11-year conflict, on certain conditions. Their insistence that Kampuchea's U.N. seat be vacated by the tripartite resistance coalition as part of the bargain is in line with the Australian proposal.

Hanoi-backed Kampuchean Prime Minister Hun Sen, moreover, has expressed interest in a "Namibia-style" U.N. role, in which his government would remain intact through the elections. But resistance leader Prince Norodom Sihanouk, who late last month gave his backing to the Australian plan, has made it clear at the same time that the U.N. seat should not be vacated before the dismantling of the Heng Samrin government in Phnom Penh.

Chinese Foreign Minister Qian Qichen told Australian Deputy Secretary for Foreign Affairs Michael Costello earlier this month that China also agrees on the need for a U.N. role in resolving the conflict. But he added there are difficulties in the Australian proposal for a U.N. trusteeship.

Prosecutors Detain Hospitalized Hijack Suspect

*OW3112053189 Tokyo KYODO in English 0506 GMT
31 Dec 89*

[Text] Tokyo, Dec. 31 KYODO—Japanese prosecutors on Sunday detained a hospitalized Chinese national suspected of hijacking an Air China airliner December 16. The suspect, identified as Zhang Zhenhai, 35, hospitalized in Iizuka, Fukuoka Prefecture, was escorted by officials of the Tokyo Public Prosecutors Office to the Fukuoka prison for temporary detention according to a law concerning the delivery of escaped criminals.

Zhang was suspected of hijacking a New York-bound Air China Boeing 747 with 200 passengers aboard on December 16 after the plane left Beijing Airport. The plane landed at Japan's Fukuoka Airport after Taiwan and South Korea refused to permit its landing as demanded by Zhang, a textile machinery operator in Hubei Province. He told Japanese authorities he was involved in pro-democracy movements and was sick of life in China.

Zhang was under medical care as he severely broke his pelvis when he was pushed off from the airliner at Fukuoka Airport. His detention came after China asked Japanese Foreign Minister Taro Nakayama to return Zhang, Justice Ministry officials said. Justice Minister Masao Goto ordered the prosecutors to put Zhang under temporary detention to examine whether he is subject to the law on international delivery of criminals.

China demanded that Japan return both the suspect and the plane and the airliner flew back to China the following day with Chinese passengers including Zhang's wife and child. Zhang was left in Japan where he underwent a surgical operation on December 20 and was now recovering, doctors said. The wife, 35, was reported to have been taken away handcuffed by Chinese authorities from Beijing Airport.

Justice Minister Goto said under Japan's immigration law, Zhang had been protected, though legally banned from entering the country, as his legal status was the same as that of a traveler who was wounded in airport transit area. But Justice Ministry officials said as a result of Sunday's detention, legal procedures started to return Zhang to China.

A senior ministry official said there would be no major problem as Zhang was caught red-handed in the hijacking. Zhang's political asylum in Japan, even if requested, would not be granted as hijacking is an international crime, the officials added.

Meanwhile, the bar association in Fukuoka Prefecture charged that Zhang's detention was aimed at "sealing off his mouth" and preventing access to him by third persons. Kazuyo Iwaki of the group's ad hoc committee on Zhang's case said the authorities would be faced with a big problem if Zhang actually requests political asylum and third persons in Japan publicly announce it. The committee members said they had asked to meet Zhang at the Iizuka Medical Center but officials there refused the request, saying his present conditions did not allow such a meeting for the present.

Money Set Aside for Aid to Poland, Hungary

*OW2812034889 Tokyo KYODO in English 0124 GMT
28 Dec 89*

[Text] Tokyo, Dec. 28 KYODO—The government has decided to allocate 888 million yen (6.53 million dollars) in its draft budget for fiscal 1990, starting next April, as part of its pledge to aid Poland and Hungary, officials said Thursday. The funds will be allocated outside the budget for Official Development Assistance (ODA) to developing countries as a whole, they said.

Of the total aid, 798 million yen will be given to the Japan International Cooperation Agency to recruit 100 trainees from each country and to research development projects in the economically stricken East European nations. The remaining 90 million yen will be allocated through the International Trade and Industry Ministry to promote technical cooperation with the two countries. The trainees from Poland and Hungary will be invited to enroll in 4-year study programs in business management and in science and technology.

Japan plans to provide a total of 25 million dollars in funds earmarked for technical cooperation with East European countries. Appropriations totaling 566 million yen (4 million dollars) were included in the fiscal 1989 supplementary budget.

Polish Steelmakers Seek Japanese Technology

*OW2712133589 Tokyo KYODO in English 1212 GMT
27 Dec 89*

[Text] Osaka, Dec. 27 KYODO—Three Polish steel manufacturers have requested a transfer of technology from a Japanese steelmaker, the Japanese company said Wednesday. Kyoei Steel Co., an affiliate of Sumitomo Metal Industries Ltd., said the Polish steelmakers want to raise productivity and make their products competitive on overseas markets. It was the first known such request to Japan from Eastern Europe, the company said.

Kyoei said the company has already submitted to the Polish side an improvement program based on a survey conducted by a group of experts sent to the country in October. The company said the Polish steel firms are unable to raise productivity because of a lack of peripheral equipment.

Koichi Takashima, chairman of the company, said prospects for the company extending technological assistance to the Polish firms are not bright because of the uncertain political situation in the country.

Kyoei is a medium-sized steelmaker with annual production of about 500,000 tons in terms of crude steel. Its sales in 1998 amounted to 32.3 billion yen. The company has previously given technological assistance to steelmakers in European and Asian countries, including France, Spain and Indonesia.

Trade Insurance for Romania Under Scrutiny

OW2812125189 Tokyo KYODO in English 1156 GMT 28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—Japan will put Romania under "surveillance" as regards underwriting its trade insurance to guarantee payments for export contracts and investments, government sources said Thursday. The sources said the government has made the decision in view of growing risks of default after the latest turmoil in the East European nation.

The move means that in some cases the application of the insurance system, including longer deferred payments, will not be permitted if trade volume is unusually large, the sources said. Japan has taken similar steps in China following the June 4 military suppression of pro-democracy demonstrators in Beijing.

No trade insurance has been offered by Japan to Romania since Bucharest paid off 11 billion dollars in foreign debt last May, the culmination of then President Nicolae Ceausescu's heavy borrowing from the West.

In 1988, Japan exported some 52.6 million dollars worth of goods, including chemicals, to Romania, and imported 142.17 million dollars in goods from that nation, including steel.

Portions of 1990 Fiscal Budget Detailed

Investment Program Increased

OW2812224889 Tokyo KYODO in English 1613 GMT 28 Dec 89

[Text] Tokyo, Dec. 29 KYODO—The government Friday adopted a moderate 7.1 percent increase in the investment and loan spending program for fiscal 1990 by appropriating 34,572.4 billion yen. The program's year-on-year growth rate was set at less than the current fiscal year's 9.0 percent, a reflection of the Finance Ministry's determination to keep its impact on the economy neutral.

The approval for the investment program, or the second national budget, for the coming fiscal year starting next April came at a special cabinet meeting early Friday morning. The program, designed to supplement the general-account expenditures, provides for funds used in

major public works projects, housing loans and special low interest-bearing loans to developing countries.

Excluding 6,950 billion yen in spending for portfolio investment management by the ministry's trust fund bureau and two other semigovernmental units, the category's general outlays amount to 27,622.4 billion yen, an increase of 4.9 percent from the current fiscal year. The program, chiefly financed by government-controlled public funds such as postal savings, public pension funds and other nontax revenue, focused on spending for import-boosting plans, ministry officials said.

The budget plan also called for stepped-up fund recycling plans and import-promoting measures to reflect Japan's efforts to reduce its huge external surpluses. The investment program allowed for a sizable 18.8 percent jump, or 1,012 billion yen in total, in the spending earmarked for loans to be extended by the Export-Import Bank of Japan. It was the first time that outlays for the government-run financial institution topped the 1-trillion-yen level, the officials said. Outlays for the Overseas Economic Cooperation Fund (OECF) also rose 4.0 percent to 591 billion yen. The program also earmarked 1,091 billion yen for the Japan Development Bank, another government-financed bank, to assist import-expanding actions and investment.

The loan program of the governmental Housing Loan Corp. increased 9.8 percent to 5,593 billion yen, up 45 billion yen compared with the ministry's original allocation made last Sunday. Funds for public works came to 4,301.6 billion yen, a modest 2.8 percent growth to avoid overheating the economy which has already entered its fourth year of expansion.

Environmental Protection Included

OW2812060689 Tokyo KYODO in English 0338 GMT 28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—The government decided Thursday to allocate a total of 451.1 billion yen for domestic and global environmental protection in its budget proposal for fiscal 1990, officials said. The amount to be provided to 16 government agencies concerned with environmental protection is 25.5 billion yen more than that in the original budget for fiscal 1989.

Japan pledged to assume a greater international role in protecting the global environment at the seven-nation economic summit held in Paris in July. Government ministries and agencies have stressed the need to combat gradual global warming, known as the "greenhouse effect," in their new projects to tackle environmental issues. Some 6.07 billion yen will be allocated for the Ministry of International Trade and Industry to set up an institute to develop alternative to chlorofluorocarbons (CFCs), which are believed to damage earth's protective ozone shield.

The government will give 280 million yen to the Environment Agency to establish a global environment

research center, which will collect, analyze, and provide world environment data by using a supercomputer. Some 1.2 billion yen to be allocated to the agency will be provided for researchers to promote studies of the global environment.

Some 300 million yen will be used to develop a monitoring system to protect tropical rain forests in developing countries, and 29 million yen will go to the Environment Agency to promote environmental protection projects in those countries.

Opposition Reacts

OW2812232489 Tokyo KYODO in English 1640 GMT
28 Dec 89

[Text] Tokyo, Dec. 29 KYODO—Opposition parties criticized the fiscal 1990 budget for relying on the consumption tax and featuring an array of measures aimed at wooing voters in a general election expected next February. Shigeru Ito, chief policy-maker of the No. 1 opposition party, the Japan Socialist Party [JSP], said the budget was one which emphasizes election-sensitive areas.

"It puts priority on spending money in areas sensitive to an election on behalf of the ruling party," Ito said, referring to the election for the 512-seat House of Representatives. He also rapped the budget for featuring strong growth in defense outlays, saying it does not take into account the rapidly easing tension between East and West. The budget calls for a 6.1 percent rise in defense spending from the fiscal 1989 budget while skipping the issue of debt-financing bonds for the first time in 15 years. Ito described the omission of debt-covering bonds as a result of the new tax that went into effect last April, saying it comes in exchange for increased public tax burdens.

The JSP and other opposition parties have called for dismantling the new tax while proposing an alternative tax reform excluding it.

Chikara Sakaguchi, chief policy-maker of the No. 2 opposition party, Komeito, had harsh words for the budget. "It lacks measures which should have been taken to allow Japanese to enjoy an affluent life, as well as measures for the aged," Sakaguchi said. Sakaguchi blasted the robust growth in defense spending, and said it should not be allowed.

Mitsuru Kaneko, secretariat chief of the Japan Communist Party, also rapped the budget for the fast growth in defense outlays, saying it is designed to promote military buildups despite opposition from most of the Japanese people. "It is a budget that would keep the new tax in place in order to cover costs needed for military buildups," he said.

Central Bank Concerned Over Money Supply Growth

OW2812143289 Tokyo KYODO in English 1257 GMT
28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—The Bank of Japan, which raised the official discount rate by 0.5 percentage point to 4.25 percent per annum on December 25, decided on Thursday to curb the pace of growth in loans by major commercial banks as another step to head off inflation, central bank officials said. The central bank decided to curb the year-to-year increase of the 13 big commercial banks' outstanding loans in the January-March period of 1990 to 2,729 billion yen, down 14.7 percent from the year-before level.

The rate of reduction in lending growth is the highest in nearly 10 years. The bank reduced the growth rate by 4.7 percent for the July-September quarter, and 7 percent for the October-December quarter.

The officials say commodity prices have generally been steady. However, the bank is concerned about a nearly 10 percent growth in the money supply from the year-earlier level. They also say they fear an uptrend in land prices, which has spread to localities, may extend again to the Tokyo area.

Socialist Party To Delete Phrase From Charter

OW2812143389 Tokyo KYODO in English 1311 GMT
28 Dec 89

[Text] Tokyo, Dec. 28 KYODO—The Japan Socialist Party [JSP] will remove from the party charter all language promoting socialist revolution, party officials said Thursday. In an apparent reaction to the rapid changes sweeping through Eastern Europe, the leading opposition party said it plans to revise its charter in time for adoption at a party convention set for April.

In 1986 the JSP issued a statement declaring that it would not follow the style of socialism then prevalent in Eastern Europe. However, Marxist-Leninist principles remained in the charter, which was written in 1964. The 1964 charter states the JSP's goals are to "attain a socialist revolution."

Also slated for revision is a section promoting a proletariat-centered power structure, which will be replaced with a call for citizens to be the main constituents of reforms.

North Korea

Kim Il-song Delivers 1990 New Year's Address

SK0101030990 Pyongyang Domestic Service in Korean
0000 GMT 1 Jan 90

[New Year's address by Comrade Kim Il-song, general secretary of the Workers' Party of Korea Central Committee and president of the DPRK, given at the Kumsusan Assembly Hall on 1 January 1990—live]

[Text] Dear comrades, my fellow countrymen, brothers and sisters,

We greet the first year of the nineties overflowing with new hope and confidence after brilliantly adorning the last year of the eighties, which was embellished with creation and construction. [applause]

Greeting 1990, I extend my warm congratulations and greetings to all the people in the Northern half of the Republic, to the brothers in the South, and to our national residents in Japan and all our other compatriots overseas. [applause]

I also offer my new year congratulations and greetings to the peoples and friends of the socialist countries and nonaligned countries, and to all other progressive people throughout the world. [applause]

The year 1989 was a proud year and it holds a brilliant place in the history of our people. Last year, we vigorously carried out a great advance movement by all the people to successfully ensure the World Festival of Youth and Students and to achieve the magnificent goals of socialist construction. We attained proud successes striking the people with admiration equally on these two fronts. [applause]

Upholding the party's militant appeals and demonstrating the lofty revolutionary spirit and creativity, our heroic working class, workers and soldiers of the People's Army effected brilliant exploits in the great construction struggle to build plants and enterprises, including the Sunchon Vinalon Complex, cultural facilities—important strongholds for ideological and cultural life—modern welfare facilities and dwellings. [applause]

Numerous monumental creations built one after the other throughout the country including in Pyongyang demonstrate the lively features of *chuche* Korea which prospers each day in the era of the Workers' Party. They give pride to our people as independent people who are creating a new socialist life with their own strength. [applause]

Last year, the self-reliant foundation for our industry was further consolidated through the great construction struggle by all people and more favorable conditions were realized to vigorously accelerate the socialist construction.

Marking last year the 25th anniversary of the publication of the thesis for socialist rural questions, our peasants vigorously waged the struggle to accomplish the tasks put forward by the rural thesis, by cherishing the lofty sense of responsibility as magnificent socialist workers charged with working on the agricultural front. Thus, they further consolidated the socialist rural economic system of our country and effected a new upsurge in agricultural production. [applause]

Today's reality, in which the working-classization of peasants and industrialization of agriculture have been rapidly pushed ahead and farms are rapidly catching up

to the cities in our country, which had been backward technologically, ideologically and culturally, clearly demonstrated the superiority of the mass socialist economy which took deep root in the farms and demonstrated the great vitality of our party's rural thesis. [applause]

We created a model in the socialist rural construction by excellently solving the problems of peasants and agriculture—the difficult problems in socialist construction—based on a *chuche*-oriented position. We take great pride in this. [applause]

The 13th World Festival of Youth and Students [WFYS] which was splendidly held in our country last year was a significant event which made a deep impression on progressive people of the world. [applause]

Through this festival, we showed the true aspect of our society where all the people develop equally, and equally enjoy a happy life while helping and leading each other in firm unity with the party with one mind and one intent. We also clearly showed the aspiration and will of our people to build a new peaceful world hand in hand with all progressive people of the world, transcending the differences in ideologies, systems and religions. [applause]

The historic significance of the Pyongyang festival is that it gave conviction to the world's people that only socialism can ensure all the people the independent and creative life corresponding to the true nature of social mankind, and based only on independence can we realize genuine internationalist friendship and unity and pioneer the bright future of mankind. [applause]

All the brilliant successes made by our people last year in all domains of socialist construction by vigorously carrying out the ideological revolution, technological revolution and cultural revolution, vigorously demonstrated the justness of *chuche*-oriented revolutionary lines which our party consistently adhered to and the boundless vitality of the socialist system of our country. [applause]

I extend deep thanks to all the people, including our working class, peasants, working intellectuals and courageous soldiers of the People's Army, who confidently advanced along the single road of revolution by following our party without the slightest degree of wavering and who registered heroic exploits in the socialist construction last year even under the grave circumstances in which the imperialists' antisocialist maneuvers were unprecedentedly strengthened and the enemy's desperate offensive was focused on our republic. [applause]

This year, the first year of the nineties, our people are faced with heavy yet glorious revolutionary tasks. The nineties will be an era of hope and an era of struggle, during which our people should vigorously advance with great ambition and firm conviction by redoubling their efforts. [applause]

Our people, who carried out a long arduous struggle to win the victory of the chuche revolutionary cause, are standing at an important turning point of history.

The success of our people's sacred cause for building a socialist paradise on the soil of the fatherland and for achieving the national reunification—a national desire—depends on how we ourselves struggle during the last 10 years of this century.

We should cope with the exciting trend of history with initiative, by cherishing the confident spirit of struggle and conviction, and we should fly the banner of victory on a new higher peak in the socialist construction in the hopeful nineties. [applause]

This year, the fourth year of the Third 7-Year Plan, we should vigorously wage the all-mass movement to produce and save to the maximum, by cherishing the revolutionary spirit for self-reliance and arduous struggle, thus effecting another great revolutionary upsurge in the socialist construction. [applause]

This year, in the major construction sector, we should focus our strength on the second phase construction of the Sunchon Vinalon Complex, on the construction of the Sariwon Potash Fertilizer Complex, on the construction of a 2 million ton-capacity steel plant and on the construction of power stations.

Cherishing a lofty sense of consciousness of being the builders in charge of a major offensive front which is of essential significance in socialist construction, the builders and soldiers of the People's Army who participated in the construction of major plants and facilities should create the new speed of the nineties in construction work by demonstrating creative activeness and mass heroism. [applause]

Increasing the production of electric power, coal and iron and steel is a cardinal work which one should adhere to in the socialist economic construction at present. Only when the production of electric power, coal and iron and steel is increased rapidly, can one vigorously push ahead with great socialist construction and normalize production in all domains of the national economy.

Technology should be boldly innovated, facilities should be expanded, and advanced production methods should be actively introduced into electric power industry, coal industry and metallurgical industry, thus decisively increasing the production of electric power, coal and iron and steel.

Functionaries of the state economic organizations, giving priority to the task of ensuring the domains of electric power industry, coal industry and metallurgical industry, should properly carry out economic organizational work and should see to it that the production of these domains is normalized at a high level and that all domains of the national economy develop with greater vigor.

To develop light industry and agriculture simultaneously, while development of heavy industry maintains its precedence, is our party's consistent line. The foundation for the light industry that we have already laid is very vast and its effective use is an important task facing the light industrial sector at present.

We should operate all the light industrial plants at full capacity by modernizing them further and by taking positive measures designed to keep them supplied with raw materials and materials in various ways. By thoroughly implementing the decisions made at the 16th plenary meeting of the sixth party Central Committee, the light industrial sector should make a decisive increase in the production of cloth and produce in larger quantity daily necessities and foodstuffs of good quality that please the people's tastes.

We also foresee a bright future in the development of the rural economy. If we turn the West Sea into fertile soil by reclaiming a tideland of 300,000 chongbo and realize the industrialization and modernization of the rural community by accelerating the technological revolution in the countryside, we will be able to wonderfully build an ideal socialist rural community which we have longed for. [applause]

This year the rural economic sector should realize, without fail, the goal of agricultural production set by the party by perfecting the irrigation at a higher level, by vigorously pushing ahead with mechanization and chemicalization, and by farming scientifically and technically according to the demand of the chuche farming method. This year we should solve the issue of feeding, clothing, and sheltering the people more satisfactorily according to the socialist demand by building modern dwellings on a large scale in cities and rural community, including Pyongyang, while at the same time rapidly developing light industry and agriculture.

Our party's policy on bringing the people's socialist life to flower is to develop all of the three areas of social life—political life, cultural life, and material life. The true superiority of socialist life lies in the people's enjoying an independent and creative life in all such areas as politics, economy, and culture, as the masters of the state and society. [applause]

All of our people are now enjoying the most valuable and rewarding political life and healthy and affluent cultural life as dignified members of sociopolitical organizations. Even in material life, our people also equally enjoy a stable life free from worry and troubles. If we produce more people's consumer goods of high quality, and fill the shops with goods, our people will have nothing to envy greatly in their standard of living.

In the future, we should actively struggle to guarantee the people a more affluent material life in particular, while developing the people's political life and (?cultural) life without interruption.

The vast tasks facing us at present are all designed to build better socialism in our country according to the demand of *chuche* and the key to successfully implementing them lies in giving full play to the superiority of the socialist system in our country in which the *chuche* idea has been embodied.

Through practical life, our people have keenly experienced that the socialist system is the most popular system that guarantees the popular masses a firm position as the masters of the state and society and the most viable system that enables them to give full play to their inexhaustible creativeness. [applause]

The superiority of socialism is not something that can be displayed on its own. It can be highly displayed only when the popular masses fully discharge their obligations and play their role as the masters of the revolution and construction under the correct leadership of the party.

We have at our disposal the correct leadership of the party and wonderful people who are deeply awakened to their historic mission. [applause]

The general line of our party to vigorously push ahead with the three revolutions—ideological, technical, and cultural—while strengthening the government of the people and heightening its functions and role without interruption is the most just line that indicates the correct path of socialist and communist construction. And the Chongsanri spirit and Chongsanri methods and the Taean Work System created by our party are the most superior work system and methods capable of effectively managing and running the socialist society and of successfully accelerating socialist construction by correctly combining the party leadership and the revolutionary mass lines. [applause]

We should continue to firmly adhere to the party's general line in socialist construction and thoroughly implement the Chongsanri spirit and Chongsanri methods and the Taean Work System in all sectors and units.

Under the slogan calling on us to strengthen the party furthermore, endlessly raise the leadership role of the party, and live in our own way, we should establish *chuche* in all areas of social life. [applause]

The source of our indomitable strength lies in the fact that the party and the popular masses, forming one harmonious whole, share the same with each other in the struggle for socialism and communism.

In the future, under any adverse circumstances, we should consummate to the end the sacred cause of the *chuche* revolution by continuing the struggle with confidence and optimism, with the party trusting the people and the people trusting the party, foreseeing a bright future. [applause]

To put an end to national division and to reunify the country is becoming a more and more pressing issue with the passage of time. The fact that the national division

that began in the forties should continue until today, the nineties, is a historic tragedy that can never be tolerated in view of the national independence and in view of the need to convert the world into one governed by independence.

Today, our people, regardless of whether they are in the North or South or abroad, are filled with a single burning desire to reunify the fatherland. They also are filled with an unbending will and conviction that they will reunify the fatherland at any cost. [applause]

During the past year, the people of all walks of life in South Korea, including youth and students, tirelessly continued the reunification movement in defiance of the continued harsh fascist suppression, and a desire, in particular, to crush the wall between the North and South and to realize free contacts and travel has surged forward more than ever. [applause]

Honoring the warm, unanimous aspirations of the South Korean people for reunification, Rev Mun Ik-hwan, adviser to the National Democratic Alliance of Korea [Chonminnyon], and young coed Yim Su-kyong, the representative of the National Council of University Student Representatives [Chondaehyop], came to Pyongyang and had warm emotional reunions with their brethren in the North, thereby further encouraging the warm aspirations of all their fellow countrymen and demonstrating the pressing nature of national reunification and the firm will of our nation at home and abroad. [applause]

We have at our disposal the three principles of independence, peaceful reunification, and great national unity—a program for national reunification that the North and South have jointly agreed upon and declared—as well as a reasonable policy for reunification that has embodied these three principles.

The proposal for the founding of Democratic Confederal Republic of Koryo [DCRK] advanced by us, the most just and fair and practical policy acceptable both to the North and South, is widely supported by all the Korean people and the progressive people of the world. [applause]

This notwithstanding, our national reunification has not yet been realized. This involves the intervention of outside forces bent on perpetuating the division of Korea and their obstructive maneuvers and some people who are erecting artificial obstacles to the settlement of the reunification question by following the outside forces.

Although they babble about reunification in words only, the persons in authority in South Korea have, in practice, continued committing acts that are obstructive to reunification. Under the condition in which the nation remains divided, they are trying to legalize the two Koreas by getting themselves admitted into the United Nations and punishing people struggling to realize contacts and exchange between the North and South as criminals while calling for a single channel for dialogue.

There is no way to interpret their acts as such other than an act of speaking for the opinion of the imperialists who, with their back turned on the unanimous will of the people for reunification, are engrossed in perpetuating the division of Korea.

Since the question of national reunification is an important question that determines the fate of the people, it can never be placed under the influence of a few persons in authority or be decided according to the opinion of certain sectors.

Today, when the national spirit for reunification is boiling up at an uncontrollable speed and the streams of converting society into one governed by independence flow all over the world, the attempt to delay reunification by idling away the time with insubstantial dialogue or political bargains constitutes a great crime to history and people. It is important to take a decisive national salvation step for turning the cause of national reunification into a pan-national cause both in name and reality in order to effect a basic turn in resolving reunification by overcoming obstacles and difficulties laid on the path of national reunification. [applause]

In order to reflect the aspirations and the urgent demands of all the people for national reunification, we call for the total openness of both North and South, by crushing the barriers between the North and South and realizing free mutual visits.

The concrete wall built in the areas south of the Military Demarcation Line should be brought down before anything else. [applause]

The concrete wall is the symbol of national division and North-South confrontation. To leave intact this wall, unseen in any other countries of the world, would be a shame for our nation. If persons in authority in South Korea have a genuine will for reunification, they must show it in deed. No matter how loudly they may talk about opening up or reunification while leaving the concrete wall intact, the people of the world will not believe it.

Given not only the United States but also the South Korean authorities have welcomed the fact that the wall of division has been opened in other countries, there is no reason not to remove the concrete barrier in our country. No wall is built on our side's area of the Military Demarcation Line and only barbed wire exists to mark the boundary. We can remove it any time. The North and South must facilitate free mutual visits after removing the concrete wall. The workers, peasants, youth and students, politicians, businessmen, cultural figures, religious figures, and people of all other walks of life in the North and South must be allowed to freely visit the other side without being discriminated against and to contact each other and carry out their own activities without any restriction. Going further than facilitating free mutual visits, the North and South must open up political, economic, cultural, and all other fields in an all-out manner. [applause]

In order to crush the barriers of division and to realize free mutual visits between the North and the South and total openness, negotiations between the North and the South should be held without delay. For such negotiations, we propose a consultative conference between authorities in which the highest-level officials [choegow-igup] attend, along with top leaders [sunoe] of each political party in the North and South. [applause]

If barriers between the North and South crumble and if free mutual visits and total openness are realized, after crystallizing the opinions of the entire Korean nation, joining forces, and defeating the intervention of outside forces, we will be able to independently and peacefully achieve the reunification of the fatherland. [applause]

This year, we will actively push ahead with talks in many domains, including talks between authorities in the North and the South and parliamentary talks, which are on-going. We will also make sincere efforts to realize a consultative conference for national reunification in which authorities of the North and South and representatives of political parties and public organizations will attend in order to decide on the nation's common reunification formula after holding broad-based consultations. [applause]

By waging a struggle after being more strongly united under the banner of the reunification of the fatherland, all the Korean compatriots in the North and South and overseas must turn this year into a year that will serve as a historic turning point in crushing the barriers of division and opening a door to reunification. [applause]

Today, on the international stage, a struggle between socialism and imperialism and between progressivism and reactionism is being acutely waged and the people's cause of independence is faced with the imperialists' grave threats. The imperialists are desperately maneuvering to crumble socialism, which is the fortress of peace and progressivism, and to again put the chains of exploitation and subjugation on people who are marching toward independence. Behind the cloak of peace and detente, the imperialists are trying to disarm people and are strengthening aggression against countries that are marching toward independence and progressivism. Also, under the signboard of assistance and cooperation, they are openly whipping up intervention and subjugation maneuvers against other countries. Even though the imperialists are using various tricks of camouflage, they are nothing but cunning tricks to derail the reason of the world's people and to realize the enemy's aggressive and plunderous purposes. Right after declaring an end to the cold war and the advance of a peaceful era to the world, the U.S. imperialists openly launched armed aggression against Panama, an independent state. This shows how deceptive the imperialists' babbling about peace and detente is and what arrogant aggressors they are. The progressive people of the world consider it a shame to live together with these shameless

and mean imperialists under the same heaven and are denouncing the imperialists' aggression with indignation. [applause]

Today the imperialists are foolishly maneuvering to reverse the flow of history while indulging in bravado and bluster in an attempt to conceal their serious crisis facing downfall. However, they cannot block the march of the people who are advancing along the road of independence. [applause]

It is an inviolable rule of history that the future of mankind will not stand on the side of imperialists and that the imperialists will perish and the socialists will be victorious. [applause]

The only way for the popular masses to realize their long-cherished desire to independently live as masters of the world and of their own destinies while eliminating exploitation and oppression of men by men is to advance along the road of socialism by seceding from the society of the exploiting class. [applause]

To seek and pioneer such a way, mankind experienced pains for a long time and continued an arduous and rigorous struggle. Socialism is the greatest achievement of mankind and is the ideal of mankind which gives men lively vitality and hope. [applause]

The road to socialism is a unexplored road. Therefore, one may face unexpected events on the road of advance and may undergo vicissitudes. The method of building socialism should be constantly improved and perfected in accordance with the variable trend of the time. However, the truth of history that mankind should advance along the road of socialism by all means will not change. [applause]

The popular masses, the main force of history, must not deviate from the principle in which they oppose imperialism and march forward toward socialism under any circumstances. [applause]

It is a truth proven by history that the principle of socialism will be victorious without fail. [applause]

The revolutionary people of the world should tenaciously safeguard the anti-imperialist principle for independence—the socialist principle—to cope with the imperialists' maneuvers and should struggle to the end to pioneer the future of mankind by cherishing the indomitable spirit of struggle and conviction. [applause]

This year, too, our party and the government of the Republic will consistently implement the foreign policy of independence, peace and friendship. We will stand firm on the principle of independence and will reliably defend the guardpost of peace and socialism in the East. [applause]

Today the Korean peninsula still remains as a source of dangerous nuclear war causing worries to the peace-loving people of the world. We will more vigorously wage a struggle to remove the danger of nuclear war in our

country, to alleviate tension, and to turn the Korean peninsula into a nuclear-free peace zone. Our party and the government of the Republic will develop friendship and cooperative relations with the progressive people of the world including the peoples in socialist countries and nonaligned countries and will actively support and encourage the struggle of the peoples of all countries for independence, peace, national sovereignty, and social progress. [applause]

The way for the developing countries to achieve the complete independence and free themselves from neo-colonial subjugation is to strengthen unity and cooperation based on the principle of collectivist self-reliance. Proceeding from the position for genuine equality and mutual benefits and from the spirit of selflessness and cooperation, we will actively strive to develop South-South cooperation in all domains of politics, economy, and culture. [applause]

The magnificent goals of struggle facing us in the nineties are inspiring all people to a new heroic exploit and illuminating the victorious future of the chuche idea of our party. [applause]

Upholding the banner of the chuche idea and the banner of socialism, let us all vigorously fight for complete victory of socialism, for the independent and peaceful reunification of the nation and for independence of the entire world. [applause]

Exchanges New Year's Greetings

SK0201100790 Pyongyang KCNA in English 0902 GMT
2 Jan 90

[Text] Pyongyang January 2 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, exchanged new year cards with foreign party and state leaders on the new year 1990.

Among them are Comrade Deng Xiaoping, former chairman of the Military Commission of the Central Committee [C.C.] of the Communist Party of China; Comrade Jiang Zemin, general secretary of the Central Committee of the CPC; Comrade Yang Shangkun, president of the People's Republic of China; Comrade Li Peng, premier of the State Council of the PRC; Comrade Chen Yun, chairman of the Central Advisory Commission of the Communist Party of China; Comrade Wan Li, chairman of the Standing Committee of the National People's Congress of China; Comrade Qiao Shi, member of the Standing Committee of the Political Bureau and member of the Secretariat of the Central Committee of the Communist Party of China; Comrade Yao Yilin, member of the Standing Committee of the Political Bureau of the C.C., CPC and vice-premier of the State Council of the PRC; Comrade Song Ping, member of the Standing Committee of the Political Bureau of the C.C., CPC; Comrade Li Ruihuan, member of the Standing Committee of the Political Bureau and member of the

secretariat of the C.C., CPC; Comrade Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference; Comrade Wang Zhen, vice-president of the PRC; Comrade Song Renqiong, vice-chairman of the Central Advisory Commission of the CPC; Comrade Peng Zhen, former chairman of the Standing Committee of the National People's Congress of the PRC; Comrade Deng Yingchao, former chairman of the National Committee of the Chinese People's Political Consultative Conference; Comrade M.S. Gorbachev, general secretary of the Central Committee of the Communist Party of the Soviet Union and president of the Supreme Soviet of the USSR; Comrade J. Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party and chairman of the Presidium of the Great People's Hural of the Mongolian People's Republic; Comrade D. Sodnom, chairman of the Council of Ministers of the MPR; Comrade Petur Mladenov, general secretary of the C.C., the Bulgarian Communist Party and president of the State Council of the People's Republic of Bulgaria; Comrade Fidel Castro Ruz, first secretary of the C.C., the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba; Comrade Mieczyslaw Rakowski, first secretary of the C.C., the Polish United Workers' Party; Comrade Wojciech Jaruzelski, president of the Polish People's Republic; Comrade Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania; Comrade Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam; Comrade Vo Chi Cong, member of the Political Bureau of the Central Committee of the Communist Party of Vietnam and president of the State Council of the Socialist Republic of Vietnam; Comrade Kaysone Phomvihane, general secretary of the Central Committee of the Lao People's Revolutionary Party and premier of the Lao People's Democratic Republic; Comrade Souphanouvong, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic; Comrade Phoumi Vongvichit, member of the Political Bureau of the Central Committee of the Lao People's Revolutionary Party and acting president of the Lao People's Democratic Republic; Wee Kim Wee, president of the Republic of Singapore; Ghulam Ishaq Khan, president of the Islamic Republic of Pakistan; Suharto, president of the Republic of Indonesia; Yasir 'Arafat, president of the State of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; Brigadier General Lansana Conte, president of the Military Committee of National Redressment, president and head of State of the Republic of Guinea; Major General Joao Bernardo Vieira, president of the State Council of the Republic of Guinea-Bissau; Veerasamy Ringadoo, governor-general of Mauritius; Aneerood Jugnauth, prime minister of Mauritius; Joaquim Alberto Chissano, president of the People's Republic of Mozambique; Major Pierre Buyoya, chairman of the Military Committee for National Salvation and president of the

Republic of Burundi; Marcel Pinto Da Costa, chairman of the Liberation Movement of Sao Tome and prince and president of the Democratic Republic of Sao Tome and prince; major general Dr. Joseph Saidu Momoh, president of the Republic of Sierra Leone; Kenneth David Kaunda, president of the Republic of Zambia; Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea; Robert G. Mugabe, president of the Republic of Zimbabwe; Ali Hassan Mwinyi, president of the United Republic of Tanzania; Yoweri Museveni, president of the Republic of Uganda; H. Desmond Hoyte, president of the cooperative Republic of Guyana; Daniel Ortega Saavedra, president of the Republic of Nicaragua; Florizel A. Glasspole, governor-general of Jamaica; Michael Manley, prime minister of Jamaica; Olav the Fifth, King of Norway; Margrethe the second, Queen of Denmark; Vincent Tabone, president of the Republic of Malta; and Mario Soares, president of the Republic of Portugal.

President Kim Il-song also exchanged new year cards with Georges Hawi, general secretary of the Central Committee of the Lebanese Communist Party; Walid Jumblatt, president of the Socialist Progressive Party of Lebanon; Mohamed Harman, general secretary of the Central Committee of the Tunisian Communist Party; Kore Andre Nilsen, chairman of the Central Committee of the Norwegian Communist Party; Gert Petersen, chairman of the Socialist People's Party of Denmark; Lars Werner, chairman of the Left Party-Communists of Sweden; Alvaro Cunhal, general secretary of the Communist Party of Portugal; Jorge Sampaio, secretary-general of the Socialist Party of Portugal; and Franz Muhri, chairman of the Central Committee of the Communist Party of Austria.

New year cards came to him from Captain Blaise Compaore, chairman of the People's Front of Burkina Faso and head of State and Government; Comrade Nguyen Huu Tho, vice-president of the State Council of the Socialist Republic of Vietnam; Matyas Szuros, interim president of the Hungarian Republic; Khaled Bagdash, general secretary of the Central Committee of the Communist Party of Syria; and Trevor Munroe, general secretary of the Central Committee of the Workers' Party of Jamaica.

Kim Chong-il Sends Greetings

SK0201102290 Pyongyang KCNA in English 0858 GMT
2 Jan 90

[Text] Pyongyang January 2 (KCNA)—Dear Comrade Kim Chong-il exchanged new year cards with foreign party and state leaders on the occasion of the new year, 1990.

He exchanged them with Comrade Chen Yun, chairman of the Central Advisory Commission of the Communist Party of China (CPC); Comrade Qiao Shi, member of the Standing Committee of the Political Bureau and member of the secretariat of the CPC Central Committee; Comrade Li Ruihuan, member of the Standing

Committee of the Political Bureau and member of the Secretariat of the CPC Central Committee; Comrade Peng Zhen, ex-chairman of the Standing Committee of the National People's Congress of China; Comrade Deng Yingchao, ex-chairman of the National Committee of the Chinese People's Political Consultative Conference; Comrade J. Batmonh, General Secretary of the Central Committee of the Mongolian People's Revolutionary Party; Comrade D. Sodnom, chairman of the Council of Ministers of the Mongolian People's Republic; Comrade Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam; Comrade Vo Chi Cong, member of the Political Bureau of the Central Committee of the Communist Party of Vietnam and president of the State Council of the Socialist Republic of Vietnam; and Comrade Joaquim Alberto Chissano, president of the People's Republic of Mozambique.

DPRK Red Cross Society Sends Aid to Romania

SK2912153489 Pyongyang KCNA in English 1522 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea decided to send 150,000 dollars of relief fund to Romania for medical assistance to the wounded persons, expressing regret at the big human losses caused by the recent incident in Romania.

The relief fund was conveyed to the Romanian side through the Romanian ambassador e.p. to the DPRK.

Kim Yong-nam Wishes Success to Romanian Minister

SK2912105889 Pyongyang KCNA in English 1020 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—Minister of Foreign Affairs Kim Yong-nam sent a message of greetings to Sergiu Celac upon his appointment as Romanian foreign minister.

Expressing the hope that the friendly and cooperative relations between the two countries will continue to strengthen and develop, the message wished him success at his new post.

O Chin-u Greets Romanian Defense Minister

SK2912111289 Pyongyang KCNA in English 1025 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—Vice marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Colonel General Nicolae Militaru upon his appointment as Romanian minister of national defence.

The message hopes for success at his new post and for continued strengthening and development of the friendly and cooperative relations between the armies of Korea and Romania in the future.

Daily Criticizes No's Weekly Radio Speech

SK3012044889 Pyongyang KCNA in English 0448 GMT 30 Dec 89

[Text] Pyongyang December 30 (KCNA)—The traitor No Tae-u, of South Korea, in his "weekly radio speech" a few days ago, said "the past things of the '80s should be clinched here" because "it is impossible to completely liquidate the past and a single misstep might entail an unhappy situation" and that he would energetically promote "the problem of stability" in the new year.

This suggests his intention to hush up the "liquidation of the Fifth Republic legacies" under the pretext of "stability" and continue along the road of fascism, war and division in the new year, remarks NODONG SINMUN today.

The news analyst says:

It does not make sense to conclude the '80s without the "liquidation of the Fifth Republic legacies" and it means, in fact, to carry over to the '90s the "storm of security-oriented rule" and "flood of corruption" brought by the "Sixth Republic" dictatorship behind the curtain of the "liquidation of the Fifth Republic."

Noting that the "stability" advertised by the South Korean puppets is a slogan of fascism and a slogan of war and division to paralyse the fighting spirit of the people and put it on the altar of fascist repression, war and divisive policy, the commentary says:

The No Tae-u clique intend to harshly crack down on the people who desire independence, democracy and reunification while mobilising all the manpower and material resources of South Korea in the preparation of a war against the North under the same treacherous slogan in the new year, too.

Impermissible is the ridiculous scheme of the No Tae-u group to race along the road of fascism, war and division when the whole nation is aspiring after the peace and reunification of the country, declares the commentary.

U.S. Korean Daily on No's Plot for 'Two Koreas'

SK2912154489 Pyongyang KCNA in English 1515 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—SINHAN MINBO, a Koreans' paper in the United States, on December 7 carried an editorial headlined "Let Us Frustrate 'Two Koreas' Plot of No Tae-u 'Regime'", which said:

We have not yet achieved national reconciliation and reunification. This is not because of the lack of a reunification proposal or a struggle for reunification but because pro-U.S. flunkeyist and traitorous No Tae-u "government" denies reunification and national unity and pursues the divisive line in partnership with the United States and Japan, the outside forces.

We have the July 4 North-South joint statement, the principles of reunification which are recognised by the whole nation and upheld by the entire people, and a proposal to achieve reunification through confederation, the paper noted.

It said that the "unification policy" of the No "government" which denies national unity and pursues the "two Koreas" policy while crying about "national community," is a policy of division and its "unification proposal" is one for division.

The editorial pointed out that the traitor No Tae-u's "Northern policy" is a part of his strategy for stage-by-stage creation of "two Koreas", a strategy aimed at "cross contact", "cross recognition" and "simultaneous entry" or "separate entry" into the United Nations.

South's Stand, Attitude Blamed for Failed Talks

*SK2912053089 Pyongyang KCNA in English 0456 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—NODONG SINMUN in a commentary today says it is entirely because of the South Korean authorities' wrong stand and insincere attitude toward dialogue and reunification that the multi-channeled dialogues and contacts between the North and the South this year have failed to bear fruit.

Noting that the South Korean authorities have created obstacles to dialogues and barred the progress of debates, pursuing confrontation and division, not peace and reunification, the news analyst says:

It was because of their policy of confrontation against dialogue and reunification that all the dialogues had to undergo turns and twists, remaining stalled for more than half a year or even ten months.

At a time when the desire for national reunification was growing immensely ardent among the South Korean people and the dialogue for peace and peaceful reunification was put on the order of the day between the North and the South the South Korean authorities staged "Team Spirit" military exercises with the U.S. imperialists against the North to aggravate the tension and confrontation and spoil the atmosphere of dialogue, and then launched into a wholesale repressive offensive on the patriotic democratic forces for reunification with the visit to Pyongyang by a democratic figure as an occasion, thus unilaterally putting off dialogue.

They went so far as to insolently try to turn the negotiating table into one for face-off, speaking ill of our political system at the talks.

In the course of the talks they stubbornly turned to despicable, brazen-faced delaying tactics in an effort to block the progress of the talks, insisting on their unreasonable arguments, bringing forward issues outside the topics of the talks and reversing the agreement.

Facts show that we truly want detente, unity and reunification through dialogue while the South Korean authorities do not want dialogue but still follow the line of confrontation and division. This is a review of the North-South talks this year.

The South Korean authorities must bear due responsibility before the fellow countrymen for the fruitless dialogues of this year and show sincerity toward the solution of the problems of peace and reunification of the country in the new year, stresses the news analyst.

Analyst Exposes South's Antireunification Stand

*SK2912103089 Pyongyang KCNA in English 1010 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—South Korean Political Analyst Kim Kwang-sik issued an article laying bare the No Tae-u puppet clique's anti-reunification, treacherous crimes and branding the "Sixth Republic" as a fascist dictatorial "regime" just like the "Fifth Republic," according to a report.

Kim Kwang-sik said that the traitor No Tae-u's "Korean national community unification formula" failed to win support even of the opposition parties, let alone the dissidents, because it alienated not only the people but also the opposition parties.

The puppet clique, claiming that "those who call for U.S. troop pullout are traitors to the nation," is harshly cracking down on the students and people who rose in the anti-war, anti-nuke struggle and driving out anti-communist gangsters in a fight against reunification forces in order to stifle the patriotic, democratic forces desirous of reunification, the analyst noted, and added:

Under the "Sixth Republic," just like under the "Fifth Republic," the security-oriented rule is in force, the privileged economic structure remains unchanged and cases of terrorism have increased in number. Facts show that "the Sixth Republic is the son of the Fifth Republic," that is, the No Tae-u "regime" is rooted in the Chon Tu-hwan dictatorial "regime."

South Korean Teenagers Read Ideological Books

*SK2912154889 Pyongyang KCNA in English 1519 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—Middle and high school students of South Korea are avidly reading ideological books, according to the South Korean magazine SINDONGA.

Books on the Northern half of Korea which are widely read among them include "Going Beyond Division," travel notes on the Northern half of Korea by Koreans in the United States, and "One More Homeland," an article by West German woman writer Luise Rinser.

Students are interested in data related to the movement for gaining a correct knowledge of the North including

"We Can Never Be Two," a book brought out by the "National Council of Student Representatives" (Chon-daehyop).

"Across Death," an article about the Kwangju people's resistance, and "Life and Death of a Young Worker" and "Shouts of a Stone," books on the labour movement, are popular among students.

In the course of reading ideological books middle and high school boys and girls are hardening their will for independence, democracy and reunification, awakened to the reality of South Korean society full of contradictions.

South's Human Rights Offenses Protested

*SK2912054289 Pyongyang KCNA in English 0453 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—Representatives of British human rights organizations including labour member of parliament John Battlebury Steinberg recently called at the South Korean puppet embassy in London and strongly protested against the wanton violation of human rights under the "National Security Law" in South Korea.

They urged an immediate abolition of the fascist "National Security Law" and the release of all the arrested democrats and handed to the puppet ambassador the list of those prisoners who must be released.

In the meantime, the Britain-based International Committee against Press Censorship recently issued a statement demanding the freedom of the press in South Korea. It denounced the puppet clique's suppression of human rights and demanded an immediate release of the political prisoners arrested on unreasonable charges.

USSR, Pyongyang To Exchange Cultural Centers

*SK3012044289 Pyongyang KCNA in English 0432 GMT
30 Dec 89*

[Text] Pyongyang December 30 (KCNA)—An agreement on setting up houses of culture between the governments of the Democratic People's Republic of Korea and the Union of Soviet Socialist Republics was signed in Pyongyang on December 29.

It was signed by O Mun-han, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and Gennadiy Bartoshevich, Soviet ambassador to Korea.

According to the agreement, the DPRK house of Culture and the Soviet Cultural Centre will be set up in Pyongyang and Moscow.

The establishment of the houses will be conducive to further strengthening and developing friendly and cooperative relations between the peoples of Korea and the Soviet Union.

Film Show Marks Korea-Cambodia Friendship

*SK2912045689 Pyongyang KCNA in English 0442 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—The Foreign Ministry hosted a film reception on December 28 on the occasion of the 25th anniversary of the opening of diplomatic relations between the DPRK and Democratic Kampuchea.

Present there were vice-minister of Foreign Affairs Cha Pong-chu and other officials concerned.

Democratic Kampuchean ambassador to Korea Son Chhum and his embassy officials were present on invitation.

The participants saw a Korean documentary film.

Kang Hui-won Says Cuban Revolution 'Historical'

*SK2912054689 Pyongyang KCNA in English 0446 GMT
29 Dec 89*

[Text] Pyongyang December 29 (KCNA)—A meeting was held at the Central House of Workers here on December 28 to mark the 31st anniversary of the victory of the Cuban revolution.

Addressing the meeting, Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, said that the victory of the Cuban revolution was a historical event that not only opened a wide road to socialism for the Cuban people but also brought an important change in the history of national liberation of the Latin American people.

The loyalty to socialism of the heroic Cuban people who are defending the dignity and honor of socialism under its revolutionary banner, smashing all the challenges and obstructions of the imperialists, their fidelity to the revolutionary principles and internationalism, has become a model for the world revolutionary people, he said, and went on:

All the brilliant victories and successes gained in Cuba in the past period are a precious fruition of the outstanding leadership of respected Comrade Fidel Castro and of the patriotic and devoted struggle of the heroic Cuban people rallied close around the communist party.

The Korean people sincerely rejoice over the achievements of the Cuban people in the revolution and construction and wholeheartedly wish them greater success in their future endeavours to safeguard revolution and build socialism.

Cuban Ambassador to Korea Juan Jose Leon Vega in his speech said that Cuba will defend socialism and uninterruptedly build it and the Cuban people will uphold their idea.

It is a basic policy of the Republic of Cuba to support the independent and peaceful reunification of Korea, he declared, and continued:

The Korean people may rest reassured that the Cuban people have supported and will support in the future, too, the just cause of Korea's reunification.

The Cuban people rejoice over the victory of the Democratic People's Republic of Korea advancing along the road of socialism under the guidance of the great leader of the Korean people Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and wish them greater success in the future.

The friendship between Cuba and Korea is growing steel strong with each passing day on the basis of Marxism-Leninism and the principles of proletarian internationalism and the intimacy between Comrade Fidel Castro and Comrade Kim Il-song.

He stressed that Cuba would make every effort possible to strengthen still further the friendly relations between the two countries.

The Cuban ambassador called a press conference here on the same day.

International Friendship Exhibit Displays Gifts

SK2912102289 Pyongyang KCNA in English 1004 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—The international friendship exhibition is situated at the foot of Mt. Myohyang, a scenic spot of the northwestern part of Korea.

Exhibited there are a large number of gifts to the great leader President Kim Il-song and dear Comrade Kim Chong-il from one hundred and several dozen countries around the world.

This year foreign party and state leaders and prominent figures and members of international organisations and more than 1,000 foreign organisations visited the exhibition, upwards of 10,000 people all told.

They were unanimous in saying that the "Exhibition is a great house representing the unbounded respect and reverence of all the world people" and "A great treasure-house of the world".

A.G. Zulu, secretary general of the United National Independence Party of Zambia, said:

Seeing the gifts on display in the exhibition today, I clearly saw what deep respect and reverence the world people have for the great leader President Kim Il-song.

President Kim Il-song is the great leader of the Korean people, who enjoys high respect of the world people.

Miguel Figuerod, member of the Central Executive Committee of the Communist Party of Canada, said that

the gifts are an expression of deep respect of the world people for the great leader President Kim Il-song and the dear leader His Excellency Kim Chong-il and an evidence of their great feats for the revolution and construction.

Bicaya, member of the Ethiopian church idea study delegation, said:

Today we went round the international friendship exhibition, the great treasurehouse of the world.

The exhibition well shows what high authority President Kim Il-song enjoys worldwide.

The exhibition is a great house which all the world people should see.

Kim Il-song Sends 142 Million Yen for Education

SK2912111089 Pyongyang KCNA in English 1022 GMT 29 Dec 89

[Text] Pyongyang December 29 (KCNA)—The great leader President Kim Il-song sent again educational aid fund and stipends amounting to 142,300,000 yen (in Japanese currency) to the Koreans in Japan for the democratic national education of the General Association of Korean Residents in Japan (Chongnyon) on the new year.

The 113th installment this time brought the total educational aid fund and stipends sent by him for the children of Koreans in Japan to 39,680,182,433 yen.

The benevolent solicitude shown again by the great leader will largely inspire the Koreans in Japan in their patriotic work for the prosperity and development of the socialist homeland and the independent and peaceful reunification of the country, for the implementation of the decisions of the 15th congress of Chongnyon and the strengthening and development of the movement of Koreans in Japan and will contribute to the development of the democratic national education of Chongnyon.

Life, Conditions Under Socialist System Lauded

SK2712075389 Pyongyang Domestic Service in Korean 0625 GMT 20 Dec 89

[Unattributed talk: "Pride of the People Living Under the Most Superior Socialist System"]

[Text] The pride and self-confidence that our people today cherish are the pride and self-confidence appreciated only by people who, after having reached the apex of human dignity, enjoy an independent, creative, and happy life to their satisfaction. The eighties are a chronicle of a great historical march in which our people have accelerated a vigorous march toward the complete victory of socialism in order to occupy a firmer position as the masters of nature, society, and themselves.

By vigorously advancing the revolution and construction under the wise guidance of the party and leader, our

people now have in sight the high peak called the complete victory of socialism. Above all, with the state and social system endlessly consolidated and developed in accordance with the demands of *chuche*, all manner of conditions capable of meeting the independent demands of our people more satisfactorily have been provided.

Through two elections of deputies to the Supreme People's Assembly and several elections of deputies to the local power organs during the eighties, we have cemented our revolutionary government firmly as a rock, the mighty weapon for socialist and communist construction.

Our people enjoy the great honor of raising and holding in high esteem the great leader in the van of the state, and have further consolidated the political basis of our state under the wise guidance of the party. Our revolutionary government has firmly laid the foundation for embodying our people's independent demands by adopting a great many laws and decisions, including the People's Health Acts and the Environmental Protection Laws of the DPRK.

People-oriented policies warmly reflecting the endless love and consideration of our fatherly leader and motherly party for our people have been put in force one after another. The enforcement of the most correct policies and people-minded measures designed to more thoroughly embody the *chuche* idea in all spheres of social life has made our people realize their own independent demands and creative activity at a higher level.

Today, all our people, while actively participating in the state political life, fully exercise their independent rights and glorify their valuable life through a creative struggle designed to realize the long-range goals put forward by the party, while helping and guiding each other in firm unity based on the revolutionary sense of obligation and comradely spirit.

Eloquent proof of this is the construction of large-scale monumental creations in every corner of the country that include the world's pre-eminent Sohae Lockgate erected over 20 li of rough seas within only 5 years, by the army and people who were mobilized under the order of the party; the building of Kwangbok Street, completed in a few years to the drum-beat of great construction; the first phase of Suncheon Vinalon Complex, a large-scale vinalon production base and a great general chemical industrial base that was put into operation; and the 18 May large-scale forging plant put into operation.

Today, our people, accepting the party's policies, decisions, and directives as a noble demand of life, are proudly embellishing every minute of life with heroic feats with all their strength, resources, energy, and talents devoted for their implementation, displaying the persevering fighting spirit, the spirit of self-reliance and arduous struggle, and enterprising fighting ethos of never-stopping renovation.

Last year our people glorified the 40th anniversary of the founding of the Republic as the victor's great festival by vigorously carrying out the 200-day campaign in response to the party's summons. Keeping that spirit alive, they waged another vigorous 200-day campaign, thereby providing a firm foundation capable of fulfilling this year's plan, the last year of the eighties, and the third 7-Year Plan, ahead of schedule, and have further strengthened the nation's economic might.

Through their own struggle as such, our people have clearly given play to the superiority of our country's socialist system and the validity of our party's policies and have powerfully demonstrated before the whole world the heroic spirit of the Korean people who are advancing under the *chuche* revolutionary banner.

Today, the state provides our people with all material and cultural conditions for food, clothing, and shelter and secure jobs suitable to their capabilities. They also receive various benefits from the state and society, including free education and free medical care. Thus, they lead a happy life. This can be proven by the mere fact that there are many people in our country who enjoy a long life. The old man Kim Su-hak aged 110 in Yomju county, North Pyongan province; the old man Yang Tae-tong aged 107 who resides in Chung-kuyok, Pyongyang city; and the old man Yi Hak aged 105 who resides in Yonan County, South Hwanghae Province; and the old man Chon Yo-chi aged 105 who resides in Manpo city, Chagang Province are still in the prime of health. Besides these old men, there are 2 old men aged 108 and 11 old men aged between 81 and 90 in a small rural village in Kwangchon-ri, Changyon County, South Hwanghae Province. There are no less than 1,000 old men over 90 in the city of Pyongyang. The ages of these old men who enjoy longevity are the ages blessed with our socialist system.

The average life span of our people today is over 74. This is 36 years longer than at the time when our country was liberated from the Japanese domination. This is the happiness that has been provided to our people because our party is great, our fatherland is benevolent, and our country's socialist system is superior. The benefits that our people have received from the state without their knowledge of those benefits are more than the benefits that they have knowingly received from the state. This is thanks to our party's great consideration. The state buys from farmers rice for 65 chon per kilogram and non-rice cereals for 41 chon per kilogram and supplies them to workers, office workers, and their families for 8 chon and 6 chon respectively. This tells us that the food supply that our people receive is virtually free of charge. The annual benefit in food supply that one household receives from the state reaches 650 won in the average.

Thanks to the free medical care system, in our country, one man receives from the state every year additional benefits equivalent to two month's living expenses of a worker. In case a worker receives medical treatment for 30 days, the medical fee and charges for medicines alone

that the state pays reach over 400 won. For the education of one child from nursery to college the state has paid over 15,800 won in cash. Furthermore, the state supplies clothes cheaply to students and children in nurseries and kindergartens in every season.

In particular, the state supplies clothes, shoes, and school supplies to all students and children free of charge once every 2 or 3 years. This is thanks to the great consideration of the respected and beloved leader and the dear Comrade Kim Chong-il. In addition to this, the state has built hundreds of thousands of dwellings every year and supplied them to all working people free of charge. In the house rental fees, the state pays 90 percent and above of the rental fee for single houses and 75 percent and above of the rental fee for modern apartment houses.

In particular, the state has built cultural houses free of charge for farmers. The state does not receive rental fees from them at all. Thus, each household of our working people has received from the state the benefits valued at several hundred won on the average every year. When additional benefits such as the paid-leave system, the rest and recuperation system, tours of revolutionary battle sites, the social security system, gifts from the state, and citations from the state are taken into consideration, the benefits that our people receive from the state are indeed enormous.

The dear Comrade Kim Chong-il, who has been making every possible effort to improve our people's living standard by upholding the lofty will of the great leader, last May bestowed again the great benevolence of awarding special prize money to all of our workers, technicians, office workers, and college and junior college students.

It was 15 May this year. That day, dear Comrade Kim Chong-il again burned the midnight oil at his office without taking a rest, and paid a visit to a responsible central official early in the morning. After noting that our workers worked hard during the two 200-day campaigns, dear Comrade Kim Chong-il said that it would be good to give all of the workers, technicians, and office workers special prize money amounting to a month's salary in recognition of their labor achievements. That day, dear Comrade Kim Chong-il personally proposed giving special prize money; said that our working class and our people are the best in the world; and kindly taught us that we must take better care of the people's lives. As a result, on 18 May, a decree was issued on giving all of the workers, technicians, and office workers special prize money.

The special prize money amounting to no fewer than hundreds of millions of won, which was given to our people this year, was a result of a people-oriented policy that was formulated at the proposal of dear Comrade Kim Chong-il, who, with boundless love and trust for the people, brilliantly inherits the *chuche* revolutionary cause generation after generation.

Pak Kyong-sun, an 106-year-old woman who is living in Yonjin-ri, Chongam District, Chongjin city, said in a voice filled with emotion:

[Begin Pak recording] It is too good to comprehend. We are well-clad and well-fed. [sound of laughter and applause heard in the background] Children are well-educated. How good it is to live in a good society under the care of the leader. [end recording]

The most honorable and happiest thing for a country and nation is having a leader [*yongdoja*] who has a great leadership art and a dignified virtue. No other people are more honorable, happier, and more proud than our people who are living in the *chuche* fatherland while upholding the respected and beloved leader, who always says that when all the people are well-fed and well-clad and live happily, he can also enjoy a long life and good health, and dear Comrade Kim Chong-il is devoting himself to giving the leader [*suryongnim*] a joy by having his hope fulfilled. Therefore, our people are boundlessly proud of their lives today and enjoy their own lives. They are also filled with an ardent resolve to devote their creative energy and wisdom to providing the coming generation with better lives. Today, our people are filled with the high pride of people who are carrying out the revolution and building socialism and with firm confidence in the victory of the *chuche* revolutionary cause.

Our people, amid the great love of the respected and beloved leader and dear Comrade Kim Chong-il, are enjoying all the happiness and have brightened the eighties with proud feats and miracles, and will also in the future resolutely march forward. Forever with the great leader, and forever with the great party!

South Korea

Chon Tu-hwan Testifies Before National Assembly

Testimony Begins 31 Dec

SK3112043189 Seoul YONHAP in English 0351 GMT
31 Dec 89

[Text] Seoul, Dec. 31 (OANA-YONHAP)—Former President Chon Tu-hwan, who came out of 13-month self-imposed exile Sunday, started his testimonies on 10:21 at the National Assembly's ad hoc panels on irregularities under his seven-year rule and on bloody suppression of Kwangju uprising in May 1980.

Before going into testimony to more than 100 written questions of the panels, Chon said that he felt sorry to mention things unfortunate to the people on the threshold of the 1990s. Chon's testimony, however, shed no light to any suspicious points and allegations against him as he consistently denied them. His testimony included the Ilhae Foundation, Saesedae Heart Foundation, alleged corruption by his relatives and flight of assets abroad.

As his testimony continues to be evasive and deny all allegations against him, opposition members on the panels protested and jeered, which forced the panel chairman, Hwang Myong-su, to interrupt the testimony a few times before adjourning the session.

His testimonies were made on each big issue, instead of answering to each of a list of questionnaire, which was transferred to him before.

YONHAP on Chon Remarks

*SK3112075089 Seoul YONHAP in English 0726 GMT
31 Dec 89*

[Text] Seoul, Dec. 31 (YONHAP)—Former President Chon Tu-hwan, in self-imposed exile for the past year as atonement for his wrongs, stood before the National Assembly Sunday and under oath denied most charges of irregularities, abuse of power and human rights violations.

The two-hour morning session of the long-awaited hearing before two special assembly panels was interrupted several times by opposition panelists shouting "testify truthfully" and "tell the truth" before it was adjourned for lunch. Ignoring the outbursts and warnings by the chairman not to elaborate unnecessarily or waste time on minor details, Chon read a prepared statement that attempted to justify his acts while in office.

Chon's testimony, unprecedented in Korea's more than 40 years of constitutional history, is considered one of the final steps—agreed on by President No Tae-u and the three opposition leaders—to end the political strife over liquidating vestiges of the Chon government.

More than 4,000 riot police were deployed around the assembly building and in nearby streets to prevent possible attacks by radicals students, who demand Chon's arrest and punishment.

"I will tell only the truth," Chon said in taking the oath before he started giving testimony. But panelists from the ruling Democratic Justice Party, which Chon founded in 1981, and opposition parties began trading shouts when Chon made a lengthy justification of the Ilhae Foundation, which critics claim was founded as a base for Chon to retain his influence on state affairs after stepping down from the presidency in February 1988.

Chon denied illicitly raising vast amounts of political funds while in office, being involved in several huge financial scandals, or forcibly merging news organizations and dismissing more than 700 journalists.

Drawing criticism that he was being evasive, Chon testified on the big issues one at a time, instead of individually answering each of the 125 questions on a list handed to him a week ago.

He also denied giving political funds to opposition parties in an attempt to fuel their rivalry and refused to

say what his role was in No's June 29, 1987, declaration for democratization, hinting he was saving the details for an autobiography.

"It is undesirable to unveil the background or the process of making the declaration, but I promise to reveal the details in my book of recollections," the retired four-star general said.

No claims he alone decided to make the declaration, which helped him win the presidential election in 1987. But some Chon aides hint their boss was deeply involved in the declaration.

Chon arrived in Seoul after a four-hour drive from a remote buddhist temple, where he has been in exile with his wife since November 1988. Yielding to public ire at his iron-fisted rule, Chon went into exile after apologizing for his misrule to the people and surrendering about 20 billion won (30 million U.S. dollars) to the state on Nov. 23 last year. He is expected to return to Paekdam temple after testifying.

Chon ruled Korea with an iron hand from September 1980 to February 1988, a period critics say stained Korean history with the record of human rights abuses, bureaucratic corruption and rigid authoritarianism.

No and opposition leaders Kim Tae-chung, Kim Yong-sam and Kim Chong-pil agreed to end public debate over liquidation of Chon's rule on Dec. 15 with Chon's testimony and the ouster of influential general-turned-politician Chong Ho-yong from the National Assembly. Despite the agreement, Chon's testimony may create a whole new set of problems as opposition panelists are likely to contend it has failed to reveal hidden truths and thus falls far short of the people's expectations, analysts said.

The testimony was seen in a one-hour tape-delayed broadcast nationwide by between over 80 percent and nearly 70 percent of the population, depending on the source of the figures. Many citizens changed their holiday plans to stay at home and watch the testimony.

Chon is to read prepared replies to about 50 questions in the afternoon session on the military suppression of the 1980 Kwangju civil uprising, which claimed nearly 200 lives by official count. After he finishes his testimony, Chon will be cross-examined by one panelist from each of the four parties.

Chon Testimony, Atmosphere Detailed

*SK3112103789 Seoul YONHAP in English 1004 GMT
31 Dec 89*

[Text] Seoul, Dec. 31 (YONHAP)—A serene chill lay across the land on New Year's Eve, but within the bastion of South Korea's representative politics the heat was searing.

The funeral pyre for the Chon Tu-hwan saga claimed the undiluted attention of millions of Koreans, who watched

entranced as their disgraced former president took the witness stand to answer charges of numerous wrongdoings allegedly perpetrated during his seven-year rule, which ended in February last year.

As had been expected ever since the format and other details of Chon's testimony were determined by a compromise between President No Tae-u and opposition leaders, Chon's response to most of the written questions was to beat around the bush and this touched off sharp outcries from opposition lawmakers.

Attired in grey suit and with traces of fatigue lining his bespectacled face from the four-hour predawn drive from a remote buddhist temple, the 58-year-old former general no longer had the bearing of a pompous and self-confident strongman that characterised his swearing-in ceremony as president in August 1980 and again in March the following year.

Due to favors wrested from the opposition parties through toilsome prior consultations, Chon was accorded privileges not normally granted witnesses in hearings.

He took the oath with his back to the committee chairman, and without raising his left hand. There was no sign on the podium naming him a "witness." And most exceptionally, his testimony consisted of reading prepared answers to prearranged questions and it was taped for broadcasting after a one-hour delay.

Chon was obviously taking great pains to keep his temper in check, saying in his opening remarks that he accepted it as "karma" for him to be subject to the legislature's summons.

At one point in the remarks he indicated his regret over No's treatment of his case, recollecting that his retreat to a remote buddhist temple on Nov. 23 last year was motivated by his faith in the ruling camp's assurance of a smooth conclusion to his case if he went on rural exile.

Chon said he would proceed issue by issue rather than responding to each of the 125 written questions set by the two opposition-controlled parliamentary panels—one investigating the irregularities involving Chon's regime and the other the bloody suppression of the Kwangju civil uprising, which is widely seen as a pretext for Chon's scramble to power.

His testimony was repeatedly interrupted by opposition lawmakers wildly booing or loud calls for detailed answers followed by verbal battles with ruling party panelists.

Junior members from the opposition camp, who until recently openly criticized the "lukewarm" attitude of their charismatic party leaders in dealing with Chon's case, demanded the floor, questioning the proceedings in blatant defiance of an agreement to ban raising any differences during Chon's testimony.

Some opposition lawmakers charged the political compromise forbidding debate was a violation of the National Assembly law, while others showed their discontent by banging their desks.

Chon's testimony was frequently halted by the presiding chairman, who alternated but was always from an opposition party, with an accusation that Chon was answering in too evasive a manner without getting to the point.

With regard to the most sensitive issues, Chon admitted there might have been actions that were excessive and had unexpected and unfortunate consequences but spent most of his time explaining why his policy decisions had always been both inevitable and reasonable.

Chon's testimony, widely described as a "historic" but carrying more symbolic than substantial importance from a political perspective, was held amid the tightest-ever security cordon thrown around the National Assembly building on Yoido Island in the Han River in western Seoul.

Seoul city police deployed over 4,000 troopers on the island to prevent interruption by fervent Chon critics. Another 1,000 men were posted just outside the building while 400 others were placed inside.

No Not Mentioned in Testimony

*SK3112135489 Seoul YONHAP in English 1308 GMT
31 Dec 89*

[Text] Seoul, Dec. 31 (YONHAP)—Former President Chon Tu-hwan, in self-imposed rural exile for the past year to atone for his wrongs, was shouted down and accused of being insincere, evasive and just plain lying while testifying in a National Assembly hearing Sunday.

In the long-awaited hearing before two assembly panels on his iron-fisted rule from September 1980 to February 1988, Chon denied most charges of irregularities, abuse of power and human rights violations.

His confrontation with his accusers, unprecedented in Korea's more than 40 years of constitutional history, was interrupted repeatedly by shouts, scuffles, fist-shaking and jeers from, mainly, opposition panelists, who shouted, "testify truthfully, it's a lie."

Ignoring the outbursts and warnings by the chairman not to elaborate on minor issues and to testify sincerely, Chon stolidly read his prepared statement, a generalized response to over 120 questions handed him a week earlier that was designed to justify his acts while in office.

His testimony is regarded as the final step—agreed on by president No Tae-u and the three opposition leaders—to liquidate remnants of his administration by the yearend so the the two-year-long political strife over problems of the past wouldn't taint the new decade.

Although the compromise by No, Kim Tae-chung, Kim Yong-sam and Kim Chong-pil Dec. 15 is regarded as a

tacit agreement that they will not dispute Chon's answers after the hearing, his testimony on key issues may cause a whole new set of problems as the opposition and the people in general contend Chon failed to reveal hidden truths or show a repentant attitude for his wrongs.

After the chairman administered the oath, Chon said he would take moral responsibility for wrongs committed during his seven-year presidency instead of making an outright apology, as he did Nov. 23, 1988, when he went into the exile at a remote buddhist temple and surrendered 20 billion won to the state.

By not mentioning President No Tae-u at all in his testimony on several issues that critics claim the two were involved in, Chon seemed to try to protect No. Prominent among the issues was the Dec. 12, 1979, military revolt led by Chon and closely supported by then Army Maj. Gen. No and a group of fellow officers, who arrested martial law commander Chong Sung-hwa and virtually seized control of the government.

Chon denied the incident was a rebellion, claiming that he, as the powerful chief of the Joint Investigation Headquarters of the Martial Law Command, had to arrest his superior as he suspected Chong was deeply involved in the assassination of President Pak Chong-hui by intelligence chief Kim Chae-kyu.

"Risking my life, I ordered the arrest of Chong to save the nation. I was totally responsible for the incident," the retired four-star general said, apparently trying to dilute attacks on No as one of the key officers in the coup.

He refused to say what was his role in No's June 29, 1987, declaration for democratization, eliminating fears among No's aides that the former president might make explosive remarks on the background of the declaration that could seriously damage No, whom Chon reportedly complained about regarding his treatment.

"It is undesirable to unveil the background or the process of making the declaration, but I promise to reveal the details in my book of recollections later," Chon said.

No claims he alone decided to make the declaration, which helped him to win the presidential election in 1987, but Chon's aides hint their boss was deeply involved in the declaration.

Chon said he regretted the military crackdown on the 1980 Kwangju pro-democracy protests but called opening fire on civilian demonstrators "the exercise of the right of self-defense" by the military. The remark provoked a shouting match between panelists from the ruling Democratic Justice Party, which Chon founded in 1981, and members of the opposition parties, forcing a temporary halt.

After a three-hour break in the evening, the worst melee broke out when Chon again referred to "the self-defense right." Panelists shoved and elbowed each other, shouting "murderer." One opposition panelist hurled a wooden nameplate at ruling party panelists. No one was

hurt and Chon was hurriedly led away by his aide as the hearing was again adjourned temporarily.

Chon said he did not know who first ordered the troops to open fire as he was not in command of the martial law forces.

Chon testified on the big issues one at a time, instead of individually answering each of the questions. He justified the establishment of the Ilhae Foundation, which the opposition claims was founded as a base for Chon to retain his influence over state affairs after stepping down from the presidency.

Chon denied illicitly raising vast amounts of political funds while in office, being involved in several huge financial scandals, forcibly merging news organizations, dismissing more than 700 journalists or setting up the Samchong reeducation training camps, a notorious "social purification drive" launched by his administration.

Regarding political funds, he did not say how much he raised but denied that he gave some of it to the opposition parties in an attempt to fuel their rivalry.

"A ruler who voluntarily steps down should not have to make any such disclosures after retirement. Arguments over such matters will not help liquidate controversies over the past," Chon said.

Nearly seven out of ten South Koreans watched television coverage of the testimony, tape-delayed for one hour. Some people changed their holiday plans to stay at home and see the hearing.

Chon arrived in Seoul after a four-hour predawn drive from Paekdam temple in the eastern mountains where he and his wife, Yi Sun-cha, spent the past 13 months in isolation. He is to return to the temple after the hearing by car, though he had reportedly hoped to resettle in the capital.

More than 4,000 riot police were deployed around the assembly building and in nearby streets to prevent an attack by radical students, who have often staged violent protests demanding Chon's arrest and punishment. No protests were staged outside the assembly building while Chon took the witness stand.

Chon rose to power with military backing in 1980 and ruled Korea with an iron hand before he stepped down in February 1988, serving out his seven-year term. His era, critics say, stained history with its record of human rights abuses, huge financial scandals and rigid authoritarianism.

More than 40 high-ranking officials under Chon, his relatives and family members were convicted of power abuse, involvement in financial irregularities or influence-peddling as part of the liquidation that has taken place since No assumed office in February 1988.

Problems surrounding his predecessor's rule have dogged No, Chon's hand-picked successor. He agreed with the opposition to finish liquidating the Chon vestiges by the yearend with Chon's testimony and the ouster of general-turned-politician Chong Ho-yong.

Chon was to be cross-examined by one panelist from each of the four parties after reading his prepared answers.

The evasive testimony hardly impressed anyone and the 58-year-old former head of state is not off the hook yet, analysts say.

Issues of Interests Outlined

*SK0201081390 Seoul TONG-A ILBO in Korean
1 Jan 90 (Special Edition) p 3-4*

[Court recorder's transcript of former President Chon Tu-hwan's testimony at the joint session of the National Assembly committees on the Fifth Republic and the Kwangju situation on 31 December]

[Excerpts]

[Passage omitted] Northrop Incident

I will explain the Northrop incident involving the program to select main-force fighters of the Air Force. In pushing ahead with this program to enhance our fighting capability, F-16's and Northrop's F-20's were on our list of fighters. We were examining technological benefits that we may get when local companies join the production of fighters. F-20's were involved in many incidents, including the 1985 Montreal incident, and, as a result, production of this plane stopped. Therefore, F-20's were excluded from our list. Suspicions were aroused over whether there were lobbying efforts. However, I had nothing to do with this. [passage omitted]

Samchong Training

The Samchong training program was introduced to overcome a national crisis by rooting out habitual and organized hoodlums and drug offenders and those with chronic social vices. The Martial Law Command released an order based upon a special decree on removing social vices that was passed in the National Security Assembly [which served as the legislature in 1980 after the National Assembly was disbanded]. Based upon this law, organized hoodlums and other criminals were arrested; some of them stood trial; and a majority of other people were subjected to 2 to 4 weeks of correctional training. This greatly contributed to promoting personal safety and social stability.

The Samchong training program was specially carried out to prevent chronic social vices from becoming rampant during a period of social chaos. This measure was taken because, even though these people were involved in many social vices, they had cunningly evaded punishment and because, therefore, normal judicial procedures could not punish them.

I am sorry that, even though this program was carried out to immediately recover social stability, some people were groundlessly victimized. [passage omitted]

Political Fund

I will discuss the political fund issue. Officials of the ruling party managed its political fund in the seventies. However, I remember that not a few high-ranking officials were involved in scandals involving the political fund because I had made efforts toward clean politics ever since my inauguration as president. I asked the DJP to collect money necessary for the operation of the party within the party itself in an effort to decrease the amount of money to be collected from non-party sources. However, I occasionally gave the ruling party some money. However, I did not regularly give it any fixed amount of money. The amount of money I gave the ruling party was not large, contrary to what has been said.

The issue involving the political fund of the ruling and opposition parties has been exaggerated, thus promoting political mistrust. However, I did not give any political fund to any individual, except for the DJP, during my term of office. No ruler has disclosed the issue of the political funds he used during his term in office. I worry that my reference to the political fund may start a new problem, instead of liquidating the political fund issue, and that, as a result, we may not be able to get out of the quagmire. I wish that the lawmakers and people will understand this. [passage omitted]

From 26 October to 12 December:

I would like to present my comprehensive views on the issues concerning the situation from the incident of the assassination of President Pak Chong-hui on 26 October to 12 December. [passage omitted]

The political vacuum and paralysis in the administrative system of the nation further increased the people's shock and social disorder. Furthermore, the fact that the assassination of the president was committed by director of the [Korean] Central Intelligence Agency [KCIA], the key figure in power, made the situation more complicated and more serious.

After the incident, the government convened an emergency cabinet meeting and declared martial law throughout the country with the exception of Cheju Island, effective at 0400 on the morning of 27 October, and placed the entire armed forces on emergency alert to cope with anticipated military provocations from North Korea. [passage omitted]

The plan of Kim Chae-kyu [former director of KCIA who assassinated President Pak] was to declare martial law after assassinating President Pak and to usurp power by leading the situation into a military revolution and manipulating high-ranking military personnel including General Chong [former Army Chief of Staff when President Pak was assassinated].

Based on Kim Chae-kyu's statement, the investigators have come to firmly believe that Gen Chong was either an accomplice or a behind-the-scenes figure of Kim Chae-kyu, and submitted a recommendation to me at 1000 on 27 October that Gen Chong should be arraigned and investigated. The investigators stressed that if we missed this opportunity, there was the possibility that evidence might be destroyed and a situation hindering the investigation might be created. In conclusion, the situation created great doubts in the minds of investigators about Chong Sung-hwa. [passage omitted]

Since foreign news and domestic public opinion believed the rumor that Gen Chong was involved in the assassination of President Pak, Gen Chong voluntarily requested an investigation of himself. Accepting his request, the investigators of the Joint Investigation Headquarters [JIH] went to the office of the Army Chief of Staff every day for 4 days from 29 October to 1 November to investigate him for about 2 hours each day. [passage omitted]

Since there were rumors about the U.S. involvement in this incident, as revealed by Kim Chae-kyu's statement during the investigation, and since the Army Chief of Staff, who has enormous influence over the military, was close to the scene of the crime, I reached the conclusion that the incident was a military coup or something similar to a military coup. If Gen Chong was near the place of the assassination by accident as he himself claimed, this must be his personal misfortune. However, even if this was merely his personal misfortune, we could not discard objectivity and cool-headedness in investigations.

Thus, I discerned the general opinion within the military while observing the development of the political situation in an attempt to begin an investigation of Gen Chong. [passage omitted]

Based on my conviction that my belief accorded with the opinion of the entire army, I decided to carry out my mission to investigate Gen Chong on 12 December in connection with the court trial of Kim Chae-kyu, after the presidential election slated for early December and after the formation of a new cabinet. The reason I selected this date was that it was a Saturday and I attempted to conclude the investigation by conducting it only on holidays. I called on President Choe Kyu-ha at the official residence of the prime minister and reported to him that I was going to arraign and investigate Gen Chong. [passage omitted]

That evening, I sent investigators of the JIH to the official residence of the Army Chief of Staff to ask him to cooperate in the investigation and to come along with the investigators. However, Gen Chong refused to come and thus he had to be forced. Gen Chong even ordered the military police guarding his residence to fire at the investigators and gunfire was exchanged between them, thus causing victims on the investigators' side. [passage omitted]

I will make it a point of honor to state that the 12 December incident was a mere accident occurred in the course of investigating the assassination of President Pak. This incident should be considered no more and no less than what it actually was. How can a military coup be carried out without a prior plan to mobilize armed forces? If this was really a military coup, why did I not seize power immediately after the incident? I never had any aim for politics. In fact, I was advised by President Pak to enter politics many times but I politely refused to do so, and only traversed the road of soldier.

The 12 December incident was led entirely by me, who had the supreme responsibility for investigating the incident of the assassination of the president, and thus the responsibility for the consequences that arose from this incident totally rests on myself.

Kwangju Democratization Movement

Next I will talk about the cause of the tragic Kwangju incident that occurred in May 1980, the troops that were sent in, the command of military operations, and the role that the U.S. Administration played in that incident.

I think the Kwangju incident was an extremely unhappy situation that occurred as a result of the extreme social chaos that had followed the 26 October incident. In the initial stage of the incident, as the man in overall charge of intelligence, I was informed of a minor clash between the two sides [as published]. Then I was informed of the fact that with the situation in Kwangju deteriorating, the Martial Law Headquarters was considering an armed suppression. However, it never occurred to me that the situation could escalate into such a disastrous tragedy.

At that time, even as the man in charge of intelligence, I did not have an adequate intelligence report because such intelligence institutions as the Korean Central Intelligence Agency, the Defense Security Command [DSC], and police had already pulled out of the city. The situation was so chaotic that we had no choice but to rely on intelligence reports that reached the Martial Law Headquarters from the branch office of the Martial Law Headquarters in Kwangju. To make up for such a scarcity of intelligence information, an intelligence officer at the headquarters of the DSC who came from Kwangju volunteered to go down to his home town. Having slipped into that city, he sent scraps of information to us in the DSC via the Martial Law Headquarters. We also sent a few ranking DSC intelligence officers there to find out what was happening in Kwangju. But all such activities were not sufficient to provide us with appropriate intelligence reports for a correct understanding of the situation in Kwangju.

Based on such insufficient, limited intelligence reports, I put across to the commanding officers at the Martial Law Headquarters my opinion as the man in charge of intelligence that they be deliberate in armed suppression and that it was not wise to apply the concept of military

operation to bringing the situation under control, a situation that had been caused by citizens. [passage omitted]

Next I will talk about the martial law enforcement troops' use of self-defense rights. I understand that in the beginning inevitable circumstances forced the soldiers to use their self-defense rights according to rules governing the servicemen's duty. It is my understanding that with the situation deteriorating, on 22 May the Martial Law Headquarters issued operational directives to the commanders of martial law enforcement troops that they could use self-defense rights if circumstances warranted. [passage omitted]

I have been thinking, it is impossible to describe the cause of this situation that led to such a tragic death toll in a few definitive words. I also believe it is impossible to say what the exact cause was of the tragic situation in Kwangju that continued, even after the other numerous demonstrations in various cities across the country had subsided. As the man in charge of intelligence at that time, I gather that it was the brutal means employed by the martial law enforcement troops to put down the demonstrators in the initial stage and the malicious groundless rumors that incited the citizens in Kwangju to become radical in their demonstrations. [passage omitted] [testimony was interrupted before Chon began to speak about the topic of U.S. involvement]

U.S. Role in Kwangju Incident

SK0101093090 Seoul TONG-A ILBO in Korean
1 Jan 90 (supplement) p 4

[Written testimony by Chon Tu-hwan, former president of the ROK, which he prepared for testimony at National Assembly special committee session but instead distributed to reporters after the suspension of his testimony due to disturbances in the meeting room on 31 December 1989]

[Excerpt] [Passage omitted] Now I will tell you about the role of the U.S. Government. I think that around the time of the Kwangju incident, the officials of the U.S. Government, including those of the U.S. Embassy in the ROK, had a view of the situation in the ROK which differed from ours to a certain degree, and I think this difference in views was unavoidable in view of the then prevailing reality we were facing in which we felt extreme tension as to a possible North Korean provocation, which a third party could hardly appreciate enough. The recent U.S. State Department statement explaining the Kwangju incident says that there was no particular problem then as far as the ROK security was concerned, but I think this is in contradiction with a series of military and diplomatic steps taken by the then U.S. Government around the time of the Kwangju incident. On 22 May that year, the U.S. State Department was concerned about possible North Korean provocative maneuvers on the ground that "if the situation of unrest continues and the situation of violence aggravates, there is danger that outside forces could miscalculate" and

warned North Korea that "the United States will strongly cope with the ROK situation according to the U.S.-ROK Security Treaty." Also, on the same day, the United States held a high-level policy-coordinating meeting, chaired by the secretary of state, to deal with the situation in the ROK, and decided to dispatch to the ROK a task force, including an aircraft carrier, and an AWACS, thus taking a series of military measures to cope with the possible threat from North Korea. I understand that the then U.S. Government sent a warning to North Korea through a third diplomatic channel that the United States would immediately counter if North Korea invaded the South. I remember also that around 26 May, Ambassador Gleysteen, at a meeting with the ruling and opposition party politicians of our country, expressed his position, stating that "if the Kwangju incident continues, North Korea, which can be compared to a hungry tiger, could use it, and the United States positively understands the background and unavoidability of the 17 May measure." Therefore, I think that there is considerable difference between the position of the then-U.S. Government and its position expressed in the recent U.S. State Department statement, a difference in the basic position with the change of the situation and the times. [passage omitted]

Summary of Chon Tu-hwan Testimony

SK0101022090 Seoul THE KOREA TIMES
in English 1 Jan 90 pp 2, 4

[Text]

Opening Remarks

I, as one-time president, repent my lack of virtue since I now have to stir people's sour memories and scars stemming from my actions rather than express vision and hope at the dawn of the New Year.

Another fault of mine is that I am inserting a flaw in the history of our Constitution by testifying before the National Assembly, action unprecedented in any other country which has adopted a presidential government with governmental powers shared by the three branches.

Ilhae Foundation

On the advice of businessmen who accompanied me on my tour of Burma in October 1983, 2.3 billion won was collected immediately after the bomb blast set off by North Korean agents (that killed 17 members of the entourage) to help families of the victims.

I accepted recommendations that the donation of the money would mean heavy taxation and so ordered establishment of a foundation for the families. I donated 50 million won. The fund-raising was managed by business interest groups.

I also heard rumors that corporate donors were offered favors and uncooperative business firms faced acts of revenge. There were never and there never could have been such acts of favoritism or revenge. Some interpret

the dissolution of the Kukje Corp. as a form of reprisal but it came in a series of disposals of insolvent firms.

There is a suspicion about the Sindong-a business group which donated 3.5 billion won in anonymity. Sindong-a contributed with goodwill when its chairman heard that additional funds were necessary.

I am said to have intended to exercise some influence on politics by means of the institute but this claim is totally groundless.

During my years in office, there was the case of a businessman helping the government enter into diplomatic ties with a non-aligned country though the government had made every effort to that end only in vain. Private-level contacts sometimes bear more fruit than government-to-government dialogue.

All the responsibility for Ilhae activities belongs to me.

Saesedae Foundation

I and my wife had been keenly interested in the education of children and thought that there was much room for improvement in that field.

Government budget could not sufficiently cover it. Fortunately, businessmen donated money to set up the Saesedae (new generation) Culture Association and Saesedae Heart Foundation to help nurture children and provide for heart operations for children.

There should never be any suspicion about acts by the two institutions and by individuals involved in their establishment.

Capital Flight

The mass media accused me and my relatives of diverting huge amounts of property abroad. I first apologize for my failure to put my relatives under control.

There had been scandals such as overcharges on rice imported from the United States, beef and coal. I instructed thorough investigations and Assembly committees examined these cases but irregular deals were not detected.

I was reported to have hidden enormous amounts of property in Australia. The report was not based on truth. The Australian Government investigated it at the request of our parliament. I hear the Australian Government notified Seoul that it had no evidence to support the report. Trustfully [as published], I have no property, movable or immovable, in foreign countries.

Disposal of Insolvent Firms

In the framework of power business conglutination, deepened during the period of prolonged one-man rule (by Pak Chong-hui), many enterprises were largely dependent on low-rate loans arranged by the government for specific economic policies despite huge outstanding liabilities beyond their capability to redeem.

I was determined to break up some of the insolvent firms and restructure industry to reduce the burden on the people and seek an economic take-off. Individual enterprises' ability to cut debts, financial conditions and export value were yardsticks for the dissolution.

The finance minister took charge of the steps in consultation with bank presidents. The breakup of specific firms was finally decided on by the Industrial Policy Deliberation Committee.

The disposition of the Kukje group was recommended by the finance minister and authorized by me after prudent review. A total of 250 billion won was loaned to Kukje in 1984 and 1985 but its performance deteriorated. Similar action was taken in the case of the Korea Shipping Corp.

Bill Fraud

A huge bill fraud, committed by Yi Chol-hui and his wife Chang Yong-cha in 1983, was completely unveiled in court trials. I was not acquainted with them. It is totally groundless to claim that part of the swindled money was used as political funds.

The dissolution of the Myongsung business group automatically followed the arrest of its chairman (on charges of embezzlement and bill fraud). I did not order it, different from the suspicions of part of society that the abolition resulted from tax probes.

License for Second Airline

Demand for air services has grown with the liberalization of overseas trips.

The Transportation Ministry selected the Kumho group from among business concerns based in the Cholla provinces and I authorized it to establish a commercial airline. Kumho had various qualifications including the running of an air terminal since 1985.

Some argue that I was offered Kumho stocks but that argument is a totally groundless misunderstanding.

Nuclear Power Plants and Northrop

Rumors concerning lobbying by foreign prime contractors for the nuclear power stations Nos. 11 and 12 are believed to be the work of their competitors and lobbying was not connected with the choice of the contractors. They were chosen by a bidding appraisal team composed of over 150 experts under the management of the Energy-Resources Ministry and the Korea Electric Power Corp.

A mainstay fighter co-production program had been reviewed since 1983. General Dynamics and Northrop had competed for the program with their F16s and F20s, respectively. The government, selecting a domestic prime contractor, had studied feasibility of co-production with U.S. enterprises.

Northrop had been excluded from the review as it suspended production following crashes in Suwon in October 1984 and in Montreal, Canada, in May 1985. Bribery scandals came in the process of review but they were completely unconnected to me or the government.

Golf Course Licenses

Some companies donated money in the course of being given permission to build golf courses. The donations were not used for political activities, but only for scholarships or the promotion of the tourism industry.

Media Mergers

Journalists subject to dismissal were officially supposed to be selected by the management of their companies voluntarily but I understand agents of the martial law command had substantial influence actually.

Despite recommendations on the merger of some mass media organs several times, I could not decide until November 1981 because of my lack of understanding. I then felt the serious repercussion of having so-called quasi journalists and quasi media. From the current viewpoint, it may appear rather absurd but it was an inevitable measure at that time.

Chongwadae Cash

A total of 960 million won in cash was found in a presidential secretariat office shortly after the assassination of Pak Chong-hui on Oct. 26, 1979.

Of the money, 200 million won was given to Army chief of staff Chong Song-hwa, 50 million won to defense minister No Chae-hyun and 100 million won to the joint investigation headquarters with the authorization of Chong, martial law commander. The remaining amount went to Pak's family.

Political Funds

Taking into consideration the public opinion that political funds in the 1970s were a hotbed of corruption, I had a strong will to pursue clean politics from my swearing-in.

I received political funds from enterprises and individuals but I exerted all efforts to decrease dependency on external funds by raising subsidies from the national treasury and from contributions to the Central Election Management Committee.

I supported the ruling party once in a while, but not regularly. And the amount is not as much as it is supposed to be.

Disputes over political funds are a sensitive problem that may deepen mistrust in politics. I have never given political funds to other than the Democratic Justice Party.

Any head of state who transferred power peacefully in foreign countries disclosed the use of political funds in

detail. I am not disinclined to reveal the funds but I refrain from doing so. That is because I fear that their disclosure may trigger another round of controversy rather than put an end to the disputes over the past.

Peace Dam

The Peace Dam was designed to guarantee national security, not to protect my power, by countering a potential flood from a dam in North Korea.

Radio Pyongyang and the NODONG SINMUN repeatedly reported in September 1984 that the North would construct a hydroelectric power plant with a capacity of 800,000 kilowatts per hour. North Koreans are believed to have been plotting to disrupt the 1988 Olympic Games held in Seoul. Their stopping of the construction was caused by our prompt countersteps.

If the dam was constructed as planned, it would no doubt have posed a serious threat to security.

If the dam releases its full load, most parts of Seoul will be flooded in 10 hours.

June 29 Declaration

Few stories behind politics are unveiled at the right time. It is important to examine how the June 29, 1987 declaration of democratic reforms (by the then DJP chairman No Tae-u) has been implemented and how it has contributed to political development and national interests. It is not desirable to disclose particular behind-the-scene stories now.

Such stories will come to light in a memoir when it is thought they will have little impact on politics.

I found no precedence of behind-the-scene stories in power being exposed to light as they are, which I hope you, lawmakers, will understand.

Dec. 12 Military Incident

I had to suspect that the assassination of president Pak Chong-hui was a military coup or something of its equivalence, considering a rumor that the United States was behind the incident and the powerful Army chief of staff (Chong Song-hwa) was nearby the site of shooting.

If then Army chief of staff Chong was there by accident as he insists, it was his misfortune. The questioning of Chong was inevitable not only to clear people's misunderstanding but for the sake of his fame.

The exchange of gunfire on Dec. 12 was no more or no less than an accident which occurred in the course of an attempt to escort Chong for an investigation into Pak's assassination. Is there any coup in the world without a premeditated plan for the mobilization of force. I did not have any political ambitions at that time. I led my life as a militaryman rejecting the advice of former president Pak Chong-hui to enter politics.

I, in charge of investigating Pak's assassination, led the Dec. 12 incident and the whole responsibility for it lies with me.

My, 1980 Kwangju Incident

The Kwangju incident was a very tragic occurrence in the midst of extreme social confusion following the Oct. 26 presidential assassination. As the chief of the top intelligence agency, I received a report that there were conflicts between opposing sides at the initial stage and the situation was deteriorating, but I never dreamt that it would lead to such a tremendous tragedy.

At that time, I could not obtain complete information about the situation because secret agents retreated to the outskirts of Kwangju city. Therefore, it is very difficult to narrow down the causes of the tragic incident which left many killed and injured. Now, I think that the excessive repression by martial law forces of demonstrations in the initial stage and violent protests by a few citizens incited by ill-intentioned rumors were direct causes for the escalation.

Martial law operations in connection with the Kwangju incident were conducted after serious discussions and ensuing report to a daily meeting of senior officers of the martial law authorities, presided over by martial law commander. As the director of the [Korean] Central Intelligence Agency (CIA), I did not participate in the daily meeting. Therefore, I, who was out of the military chain of command, did not intervene in the deployment of military forces and their operations there.

Some suspect that there was a "dual" military chain of command, but it is nonsensical in view of general military practices. When any military unit is assigned to another, the commander is empowered to take the command of the unit and should take the consequent responsibility.

Exercise of Self-Defense Rights

The self-defense rights of the martial law forces is believed to have been exercised in an emergency situation in accordance with a code of conduct of the armed forces. As far as I know, the martial law command has issued an instruction on May 22, allowing the exercise of self-defense rights as the situation was deteriorating.

The limited self-defense rights can be exercised in a worst case situation under the command of commanders on the spot and commanders on the spot. The commanders emphasized the necessity in emergencies, but a majority of military leaders were calling for caution... [Panel chairman Mun Tong-hwan declares the hearing adjourned.]

Chon News Briefing After Testimony

*SK0101061290 Seoul Television Service in Korean
1528 GMT 31 Dec 89*

[News conference by former President Chon Tu-hwan at 1450 GMT on 31 December at a reception room in the National Assembly—recorded]

[Text] I feel it very lamentable that, as you reporters saw this evening, the atmosphere of the joint session of the special committees has been disrupted and that, as a result, I could not continue my testimony any longer. Respecting the agreement which the leaders of the four parties reached at Chongwadae to conclude the liquidation of the past before this year is out, I tried to extend my utmost cooperation. Because my testimony to the written questions is a core element in the liquidation procedure, I will convey to the people portions of my testimony—which I could not make due to the atmosphere of the joint session—via you, reporters. I hope that this will help, even a little, the entire country to free itself from the yoke of the past before the 1980's are out. Now then, I will start:

I think that some portions of my testimony today fell short of your expectations because some of the episodes took place 10 years ago and therefore, I cannot vividly remember them or because I could not acquire sufficient data. I could not clearly explain some other issues because of the need to keep secrets that concern the president's sovereign power and to preserve the authority that the seat of presidency carries. There are more unsatisfactory portions. However, even scores of hours would not be not enough to explain in detail the overall affairs involving the exercise of my sovereign power as president, which extended for approximately 8 years. It would be desirable to point out all the episodes and to determine whether they were correct or wrong. However, I worry that this would lead to a situation in which a finishing touch would start a new problem. I may be very presumptuous of me, but I say that I know that in the history of the world, it can not be clearly determined in a short period of time whether any era, any country, or any regime was correct or wrong. It is necessary to subject this matter to the judgment of history.

What took place in the past must not be negligently dealt with, and is important but what is most important are today and tomorrow. The past wrongdoings have already cost us dearly. However, if because of these wrongdoings, we mar today and tomorrow, this would be much more regrettable. Still, if you have something to ask me, please tell it to me as my assignment. I will detailedly and concretely explain all the truth of the Fifth Republic in memoirs or other forms to ensure that I answer the questions of all the people.

I have lived in Paektam Temple for more than one year while praying and purifying myself. During this period, I sternly realized the truth that if in order to insist that one is correct, one must say that another is wrong, then

controversies over who is correct and who is wrong will not end, and therefore one must reflect on oneself before blaming others. I do not mean to ask you to forgive me. As the highest person responsible for state affairs during the era in which I was in charge, I am fully responsible for what took place during that era, irrespective of whether I was involved or whether I did not know what took place. Please let me take moral, political, and judicial responsibility. I am resolved to take even lethal poison if the people demand this fate of me. I will die in the fatherland in order to become nutrition for the fatherland, where I was born. My heart will in no way change. I was advised or pressured to leave the country but I resolutely rejected the idea.

I think that you know very well an episode concerning Dr Syngman Rhee, a person who was almost like the father of the country. Even though he devoted his entire life to the independence of the fatherland, he died in a foreign land because he did not keep his promise to the people. President Pak Chong-hui freed our country from the yoke of absolute poverty. While trying to stay in power for an extended period of time after rejecting the people's will, he met with a miserable end in which he was assassinated by his closest right-hand man and friend. I was determined to bring an end to this vicious cycle in this country and I firmly believed this would provide a foundation on which democracy would take root in this country. For this reason, I spent days of my 7 and 1/2 year rule looking forward to returning to my old home after successfully concluding my duty. I sometimes deplored the mistrust of people who did not believe my true intentions. I also at times deplored the people's general idea that any president of an underdeveloped country, without exception, stashes some assets in foreign countries and will go overseas in an emergency and lead a luxurious lifestyle. It took 7 and 1/2 years to make people believe my promise that I would voluntarily leave Chongwadae on foot. It bothers me that I do not know how I can exactly convey my true intention to you, the people.

I had not dreamed of becoming president before I became one in 1980. I had had no other hope than fulfilling my assigned duty as a loyal soldier. As if it were destiny, I unexpectedly took charge of the country, which was shrouded in difficulties. I could not even sleep well because of pressing worries and a sense of responsibility. I worked hard day and night and even without holidays. However, covered all over with wounds, I took shelter in the desolate Paektam Temple. I repeatedly looked back upon the past at numerous sleepless nights in that Temple. Inexperienced and unprepared, I faced an entirely different circumstance, and moreover, ambitions had an upper-hand. Therefore, there were many trials and errors, and I regret many of them.

The assassination of President Pak Chong-hui was unprecedented in our history, and inheriting the Yusin system was also unprecedented [as heard]. I recognize

that errors were made in coping with a series of these unprecedented situations, and I can only feel sorry for that.

Dear fellow countrymen: During the 7 years when I was in charge of state affairs, per capita income doubled; the national economy went into the black because vicious inflation was contained; foreign debts were smoothly repaid, thus improving the international credit standings of the country; the national strength was enhanced sufficiently to successfully host the Olympics; and national prestige was displayed throughout the world by way of the Olympics. However, I never meant to ask you to overlook my mistakes in favor of my achievements. This is because these achievements were brought about when all of you, the people, made joint efforts. However, I cannot abandon my earnest hope that even when you harshly flay me for my wrongdoings, you will consider me as one who joined you in bringing about those honorable achievements that I just mentioned.

An old episode that it is said to have taken place in China comes to my mind. This episode goes: The head of a village cleared out a ditch in his village together with his servants. Then, village people came to him and criticized him, alleging that he cleared out the ditch in order to catch all of the mud fishes. Under a false accusation, the head of the village left that night together with his dependents. However, I have no place to go. Already last year, I said to the president that I am willing to even go to prison if it would solve the problem. I will even go to prison if it will liquidate the Fifth Republic. However, I only want to be remembered as a person who, as a former president of the Republic of Korea, takes responsibility for his wrongdoings, who has a sense of honor, and who is not shameless. I will again say: I will gladly take even lethal poison if the people demand this of me. I stand before you with this strong resolve after traveling along a snow-covered road this morning from Paektam Temple. I am fully responsible for all the matters concerning the Fifth Republic. Under a presidential system, a president takes responsibility for all the policies and measures irrespective of who recommended those policies and which office took those measures. I earnestly hope that you will hold me responsible for all the problems, will meet the first year of the 1990's filled with fresh hopes, and will achieve an advanced homeland.

Even while we have hung on to the past, the world has endlessly changed and developed. Our economy, which was praised as a heavenward dragon as a result of all the people's sacrifices and efforts, seems to be trembling now. I also heard that security is poorly maintained so that women cannot freely go out. I believe that these difficult problems at home and abroad can be solved only when all the people make joint efforts.

Dear fellow countrymen: I thank you for listening to me to the end. I hope that all of your hopes will be fulfilled in the coming year and that you will enjoy good health. I hope that all of you reporters here will have a happy New Year and enjoy good health. Thank you.

Opposition To Seek Indictment

SK0201045590 Seoul TONG-A ILBO in Korean
1 Jan 90 (special edition) p 1

[Text] The opposition parties protested that the testimony made by former president Chon Tu-hwan before the National Assembly on 31 December was insincere and that he even attempted to justify some of irregularities and distorted the truth. Thus, it is anticipated that the liquidation of the Fifth Republic issues will be the subject of a great dispute among the political circles in the beginning of the year.

In particular, the opposition camp judged that Mr Chon's refusal to make last-stage testimony during the hearing session on the pretext of disturbances in the meeting hall and the withdrawal of the Democratic Justice Party [DJP] lawmakers is not the attitude for repenting his erroneous acts committed during his term of office. Thus, the opposition parties plan to intensify the political offensive against not only Mr Chon, but also the ruling sphere.

The three opposition parties—the Party for Peace and Democracy, the Reunification Democratic Party and the New Democratic-Republican Party—are studying a plan to indict Mr Chon on the charge of false testimony, blaming some of the contents of his testimony. Thus, a heated argument over the issue of dealing with Mr Chon is anticipated between the ruling and opposition parties.

With regard to Mr Chon's testimony, President No Tae-u appealed that "even if there are some insufficient parts in his testimony, they should be left as a task to be judged by history, and the Fifth Republic issues should be ended." However, the opposition parties expressed their strong position that with his insincere and insufficient testimony, liquidation of the Fifth Republic issues cannot be concluded.

Thus, the ruling and opposition parties are going to hold meetings of the presidium and key officials respectively, on 1 and 2 January to discuss measures for follow-up actions. However, the difference in views on testimony between the ruling and opposition is so great that the political climate hardened by the aftermath of testimony is expected to continue for some time.

It has been learned that the DJP is considering holding talks between President No and the three opposition leaders at Chongwadae as a means for curing the aftermath.

Opposition Censures Testimony

SK0101031790 Seoul THE KOREA TIMES
in English 1 Jan 90 p 2

[From the "Press Pocket" column: "Procedural Matters"]

[Text] The rival parties spent more time arguing over procedural matters than hearing former president Chon Tu-hwan's testimony.

Opposition members' censure of the ex-president's "insincere testimony" as well as disputes between the rival opposition parties led by Kim Tae-chung and Kim Yong-sam over procedural matters interrupted Chon's testimony several times.

Upon the resumption of the afternoon session at 2:03 p.m. panel chairman Hwang Myong-su of the Reunification Democratic Party expressed his displeasure with Chon's "insincere attitude" in testifying.

He said that telephone calls are flooding headquarters of opposition parties violently criticizing Chon's posture. "Many people say that we don't have to proceed with testimony like this," said Hwang.

Then he said that his deputies from the four parties and he agreed to give one member each from the four parties permission to protest Chon's posture.

Rep. Kim Yong-pae of the Party for Peace and Democracy took the floor first and asked the panel chairman to call Chon to the witness stand so that he may hear him.

Then, Kim spent most of his time venting his dissatisfaction with the way the parliamentary hearing is being conducted. He said it is making a mockery of the people.

After him, Kim Tong-chu of the Reunification Democratic Party, dwelt on the false testimony which Chon just made.

Criticizing Chon for his brazen attitude, Kim said what was the use of hearing the ex-president if he continues to evade the key issues.

Rep. Yon Chae-ki of the New Democratic Republican Party charged Chon with glossing over key facts without showing sincerity to reveal the truth regarding all of the misdeeds he perpetrated.

Reaction to Testimony Negative

SK3112140989 Seoul YONHAP in English 1359 GMT
31 Dec 89

[Text] Seoul, Dec. 31 (YONHAP)—Reaction to former president Chon Tu-hwan's testimony at the National Assembly was overwhelmingly negative among people in Seoul contacted by telephone Sunday.

Some accused Chon of defending the reasonableness of his harsh policies instead of admitting his responsibility for the suffering caused by the policies.

Most businessmen, however, emphasized the need to lay to rest the controversial questions surrounding the wrongdoings allegedly perpetrated under Chon's seven-year rule so the nation can plan for the future.

Prof. Kim Hung-kyu of Korea University said, "Chon kept defending himself all through the hearing without going into detail about the issues we direly wanted to know the truth of. At best, his remarks were vague. Chon himself diluted the sincerity of his earlier pledge to reveal all about his past wrongdoings."

Lawyer Yu Hyon-sok said Chon's testimony was disappointing in that it failed to clear suspicions surrounding his past actions.

"What was principally wrong was the very format of his testimony, which relied on written questions," said Yu. Kim Hui-tack, spokesman of the dissident group Chon-minnyon, the National Alliance of Democratic Movements, said, "the parliamentary hearing did nothing but acquit Chon of his crimes, entirely failing to reveal the truth of the past. His testimony was nothing but an act of debasement and threat to the people."

Lawyer Kim Hang-sok said he was worried that Chon's testimony would touch off another string of controversy instead of ending the liquidation problem.

Kim Hui-son, a housewife from western Seoul, said she could not read sincerity in Chon's testimony.

"Chon failed to meet the public's desire for him to explain his roles in the controversial issues clearly and ask for forgiveness," she said.

Yi Chin-ha, a 37-year-old shopowner in eastern Seoul, questioned the behaviour of the lawmakers on the ad hoc panels, accusing them of behaving improperly and without dignity.

A 48-year-old textile businessman, Chong Chae-hum, said, "it was not desirable to question Chon further. He has repented for his wrongdoing in self-imposed exile over the past year and it is not proper to question him now about the things he did during his term in office."

Pak Kyu-sik, vice chairman of the Hyundai business group, stressed that the nation should now lay to rest all problems of the past with a view to opening a new era of national harmony.

"Chon's testimony was somewhat disappointing, but I think we should respect its symbolic and historic importance first," he said.

Choe Chang-nak, vice president of the federation of Korean Industries, said, "one should not be so naive as to expect a retired chief executive of a country to drop a bombshell in a parliamentary hearing. I hope Chon's testimony serves as an opportunity for the nation to take another step forward on the path toward maturity."

Kim Pyong-kil, director of severance hospital in Yong-dong, said, "it is a regret that Chon's testimony was far from being able to satisfy the public's appetite for hidden truths behind the controversial issues of the fifth republic. But it should be accepted generously from a broad point of view, from the perspective of national reconciliation."

Testimony Widely Watched

SK3112065889 Seoul YONHAP in English 0653 GMT
31 Dec 89

[Excerpt] Seoul, Dec. 31 (OANA-YONHAP)—Nearly seven out of ten South Koreans watched television coverage of former president Chon Tu-hwan's testimony before the National Assembly on Sunday, according to an audience rating survey by Munhwa Broadcasting Co.

Chon's testimony on his rise to power, irregularities under his seven-year rule and bloody suppression of protests in Kwangju in May 1980 was watched by 67.33 percent of the population.

The audience rating for the broadcast, tape-delayed for one hour, is lower than Chon's 75 percent rating 13 months ago, when he made a televised apology to the people for misdeeds under his iron-fisted rule before going into self-imposed exile at a remote buddhist temple. His testimony, the result of an agreement among the four party leaders including President No Tae-u, apparently did little to shed light on hidden facts.

But Chon's return to the nation's television sets from exile in Mt. Sorak in northeastern region of the country was alluring for many people, most of whom awaited the emergence of "something crystal clear" about the much-debated liquidation issue so that the nation could make a fresh new start in the new decade.

People on their way to the countryside to spend the new year's holiday with their family stopped to see the face of their ex-president on televisions in bus terminals and train stations. [passage omitted]

Kwangju Panel To Sue Choe for Defying Summons

SK3112011989 Seoul THE KOREA TIMES
in English 31 Dec 89 p 2

[Text] A parliamentary ad hoc committee investigating the 1980 Kwangju bloodshed yesterday decided to sue former president Choe Kyu-ha for his defiance of the House summons for testimony.

The three opposition parties voted for the lawsuit against Choe in the absence of the ruling Democratic Justice Party which boycotted the panel session in protest at the move.

The committee also decided to request the Justice Ministry to impose a ban on Choe from leaving the country. The erstwhile chief executive had been asked to show up at the Assembly to testify on the rise of Chon to power and the Kwangju incident.

Choe has refused to comply with the committee's summons six times and defied the House "order of escort" twice. He was charged with violating the laws on Parliamentary Testimony and Appraisal.

His refusal of the House summons leaves him liable to imprisonment for up to one year or a fine of up to five million won. In addition, with his defiance of the order of escort he faces a jail sentence of up to five years.

The Assembly had demanded Choe testify about, among other things, who was responsible for the opening of fire on protesters in Kwangju and why he had to step down as president to hand over power to then general Chon Tu-hwan in 1980.

Former president Chon is to testify before the House today on the Kwangju tragedy and a host of misdeeds under this seven-year authoritarian rule, action which has been agreed upon between the rival parties as the conclusion of the drawn-out controversy over the liquidation of past ills.

However, Choe sent a letter to special committee chairman Mun Tong-hwan, refusing to appear before the Assembly for testimony. But he suggested that he would answer in writing, if given a list of questions.

In the letter, Choe said, "The giving by a former president of testimony about state affairs under his presidency is against the principle of the power division among the three government branches and is unprecedented in the 40 years of national history."

He also maintained that national secrets should not be exposed immoderately in the form of testimony.

Choe went on, "My testimony before the House and ad hoc panel is likely to ignite political controversy afresh at this time when the true picture of the Kwangju incident has been almost all brought to light."

He added that if the House sends a written questionnaire he will answer in writing at the earliest possible date.

N. Korea Participating in Developing Missile

*SK3012232889 Seoul Domestic Service in Korean
2200 GMT 29 Dec 89*

[Report by AP, YONHAP from Tel Aviv]

[Text] Israeli military sources reported that Syria, bowing to U.S. pressure, recently canceled a plan to buy ground-to-ground missiles which it had negotiated with China. Instead, Syria is requesting North Korea help buy and produce this missile.

Reserve Brigadier General Aharon Levran, who is a well-known Israeli civilian military expert, says that in connection with this, Syria will be interested in North Korean help, if North Korea can improve the range of the Scud missile and its accuracy. Thus, Levran acknowledged the possibility of cooperation between North Korea and Syria.

In addition, he said it is clear that Egypt asked North Korea's help last year, because its Scud missiles made by Soviet Union were antiquated.

He also cited a news report hinting at North Korea's helping Iran to develop surface-to-surface missiles and to train Iranian air force pilots as evidence of North Korea's assistance to Syria and Egypt in developing weapons [as heard].

Further on Missile Development

*SK3012014389 Seoul THE KOREA TIMES
in English 30 Dec 89 p 4*

[Text] Tel Aviv (AP)—Syria is believed to be seeking North Korea's help in acquiring new surface-to-surface missiles after U.S. pressure was brought to bear on China to cancel a reported deal, Israeli military sources said Friday.

The sources also said North Korea and Egypt have begun a project to develop missiles patterned after Soviet-designed Scud missiles.

The revelation by the sources, who briefed a reporter on condition of anonymity, comes at a time of mounting concern in Israel about an intensified missile race in the Middle East.

Fears intensified following Iraq's Dec. 7 launching of the Abed, a 48-ton, three-stage ballistic missile that Baghdad claimed was capable of putting satellites into space.

North Korea has a well-developed arms industry, and the Israeli sources said it had supplied Iran with Soviet-designed Scud surface-to-surface missiles during the Persian Gulf War with Iraq.

The military sources said part of the Egyptian-North Korean missile project was being developed in Egypt.

Aharon Levran, a retired brigadier general who is a leading independent military analyst, said Egypt had an arsenal of aging Scud missiles provided by the Soviet Union and had apparently turned to north Korea last year for help in modernizing them.

"It's not known exactly what sort of help the North Koreans can provide, whether it is just to renew the old Soviet missiles and provide spare parts or maybe install improved components such as guidance," he said.

He also said published reports indicated North Korea was helping Iran develop its own surface-to-surface missile and was training pilots for the Tehran regime.

The Scud-B, which has a range of just 300km and poor accuracy, was introduced into the Middle East in the early 1970s.

No To Pursue Opening of North 'More Vigorously'

*SK3112060889 Seoul YONHAP in English 0600 GMT
31 Dec 89*

[Text] Seoul, Dec. 31 (YONHAP)—The 1990s will be the decade of hope for South Korea in its struggle to become an advanced nation and will provide the turning point for reunification of the nation, President No Tae-u said in his new year message. In the message, No said it is the task of all Koreans in the 1990s to build a "wide road" toward national reunification.

"Politically, we should make effort to have democracy take healthy roots on the bottom of order and stability," No said, calling for everyone to concentrate their talents on solving the present economic difficulties. No said he will promote the opening of North Korea and follow a policy of embracing North Korea as a national community more vigorously.

The freedom and power of South Korea will pull North Korea along the road of unification of the Korean peninsula, No said, pledging to remain positive to cope with any changes in North Korea.

Through the resignation of Rep. Chong Ho-yong and the testimony of former President Chon Tu-hwan, the problems of the past have been concluded politically, he said.

Since the former president, who transferred power peacefully, has revealed the truth behind past problems

and made an apology, the country should put the episode to rest and endeavor to realize the task of national development, he said.

Relations With USSR, E. Europe, U.S. Viewed

*SK0201015690 Seoul Domestic Service in Korean
0100 GMT 2 Jan 90*

[Text] Foreign Affairs Minister Choe Ho-chung has said that, seizing the opportunity of the opening of a Consular Office in the Soviet Union which is scheduled for early this year, negotiations will be held in earnest to establish formal diplomatic relations with the Soviet Union.

In an exclusive interview today with the Korean Broadcasting System, Minister Choe said that he will appoint an ambassadorial-level senior diplomat as the first officer of the Consular Office in the Soviet Union and will assign him to take full charge of negotiations to upgrade current relations, which are virtually consular relations, to the level of formal diplomatic relations.

Referring to our relations with China, Minister Choe said that negotiations for improving relations between the two countries have faltered since the Tiananmen Square situation but that, given that civilian and economic exchange has continued to take place, epochal progress will be made in relations with China during and around the Beijing Asian Games.

He confirmed that Bulgaria, Czechoslovakia, and other socialist countries of Eastern Europe have proposed discussions on the issue of establishing diplomatic relations and said that diplomatic relations with these countries will be established in the near future.

Referring to the issue of reducing the number of U.S. troops in Korea, Minister Choe said that because Korea and the United States have agreed that it is too early to reduce or withdraw the U.S. troops in Korea as long as the situation on the Korean peninsula remains fundamentally unchanged, no radical change will take place in the status of the U.S. troops in Korea.

Burma

U Nu, Associates Put Under Restriction Order

*BK2912164189 Rangoon Domestic Service in Burmese
1434 GMT 29 Dec 89*

[Text] Fourteen persons—who were members of the parallel government—have been placed under a restriction order in accordance with Article 10-B of the 1975 Act To Protect the State From Destructive Elements, effective 29 December 1989, for creating a situation dangerous to the state by forming a 26-member parallel government on 9 September 1988; by releasing statements in the name of the parallel government on 19, 22, and 23 September 1988 with the intention of sowing dissension within the Defense Services; by undermining public trust in the government; and by attempting to incite and create disturbances and uprising.

These persons are:

1. U Nu; 2. Bohmu Aung; 3. Thakin Chit; 4. U Than Sein; 5. Thakin Thein Pe; 6. U Van Kho Hau; 7. U Ba Swe, also known as Phongyi Ba Swe; 8. Bohmu Tun Tin; 9. Thakin Khin Aung; 10. U Ba Tun; 11. U Nyunt Aung; 12. U Saw Nge Du; 13. U Thein Maung; and 14. U San Ohn.

This action has been taken because the aforementioned 14 persons invited local and foreign journalists, journalists who emerged during the disturbances, foreign embassy personnel, and union representatives to the temporary headquarters of the Organization for Democracy and Peace on 9 September 1988 and held a news conference. The formation of a parallel government and restoration of the power of the prime minister under the 1947 State Constitution was announced at the news conference. A list of 26 members of the parallel government, signed by Prime Minister U Nu, was also announced.

After the Defense Services assumed all state powers, the parallel government issued an announcement on 19 September 1988 entitled Statement by Prime Minister U Nu, saying under the 1947 Constitution the person elected as prime minister has the power to dissolve Parliament and that U Nu—still being prime minister under the 1947 Constitution—had taken back the powers of prime minister as of 0900 on 9 September 1988.

On 22 September 1988 another statement was issued over the signature of Prime Minister U Nu entitled Press Release No 1/88 of Prime Minister U Nu. The statement said the Government of the Union of Burma led by Prime Minister U Nu had been formed on 19 September 1988, that the military government of General Saw Maung was illegal, that U Nu's government alone was a popular government recognized internationally, and that the Defense Services did not have to obey the orders of

the military government opposed by the people but were to obey the orders of the legal popular government of Prime Minister U Nu.

On 23 September a statement was issued over the signature of Prime Minister U Nu entitled: Statement to the Members of the Defense Services. This statement said that the legal government led by Prime Minister U Nu had been reorganized on 19 September 1988 and that members of the Defense Services should part ways with the military dictators and take refuge in the bosom of the people.

Antigovernment acts, such as the formation of a parallel government, are an act of treason even worse than armed rebellion by the insurgents against the state.

The actions by U Nu and his associates are more serious than those under which people have been subjected to the provisions of Article 10-G of the People's Assembly Elections Law pertaining to disqualification from running in the elections by virtue of being an unlawful organization, or Article 20-H on persons proved to be members of insurgent organizations that are in armed rebellion against the state or who have contact with members of such organizations.

Secretary-1 of the State Law and Order Restoration Council [Brigadier General Khin Nyunt] summoned the responsible persons of the League for Democracy and Peace on two occasions—on 29 November 1989 and again on 22 December 1989—and requested that the parallel government be dismantled, because U Nu and his associates—by not dismantling the parallel government and by not resigning—are discrediting the State Law and Order Restoration Council and therefore make themselves subject to Article 124-A of the Criminal Procedure Code, and Articles 5-A, 5-B, and 5-J of the 1950 Emergency Measures Act.

At these meetings, those persons who had been declared cabinet members of the parallel government were asked to dismantle it and speedily resign so as not to make themselves subject to the Criminal Procedure Code or hinder the elections.

The request was made with good intentions to enable those with political standing to run in the elections.

Although the refusal to dismantle the parallel government calls for drastic measures under the relevant laws, in consideration of the old age of the said persons, their political standing, and out of humanitarian concern, they have been put under restriction in accordance with Article 10-B of the 1975 Act To Protect the State From Destructive Elements.

Radio Reports 29 Dec News Conference

*BK3012084089 Rangoon Domestic Service in Burmese
1330 GMT 29 Dec 89*

[Excerpts] The information committee of the State Law and Order Restoration Council [SLORC] held its 71st

news conference with local and foreign journalists at 1200 today in the reception hall of the Ministry of Defense. [passage omitted]

Explaining the attack and capture of Palu camp of the KNU's [Karen National Union] 6th Brigade, the information committee said the 331st Tactical Operation Supervision Unit and regimental columns under the command of the 44th Light Infantry Division Headquarters began attacking Palu camp of the KNU 6th Brigade at 0400 today—29 December—and the entire camp was captured by the Defense Services at 0900 this morning.

According to reports from Palu camp at noon today, 55 bodies of KNU insurgents have been found. The Defense Services seized 63 weapons, including a 2.75 rocket launcher, 3 82-mm mortars, a 75-mm recoilless rifle, 2 60-mm mortars, a 57-mm recoilless rifle, 2 5.5 heavy guns, 2 rocket propelled grenades, 51 assorted light weapons, 2 truckloads of ammunition, 2 communication sets, 1 Hilux vehicle, 30 buildings with corrugated iron roofs, 492 concrete bunkers, 4 brick buildings, and 90 other buildings.

Twenty-two members of the Defense Services laid down their lives for the country in the capture of Palu camp and 52 were wounded.

It was explained at the news conference that General Saw Maung, chairman of the SLORC and commander in chief of the Defense Services, has sent a congratulatory message to the officers and men who performed brilliantly and valiantly in the Palu campaign by destroying the enemy in a matter of hours after taking them by surprise with their new resolve to sacrifice and serve the country. [passage omitted]

Continuing, the information committee said that at today's news conference it will respond to U Nu who had called a news conference and explained the matter regarding his refusal to dissolve the parallel government.

As is known to the journalists, U Nu, patron of the League for Democracy and Peace [LDP] formed a parallel government on 9 September 1988 and the members of its government are known to all. There were very few ministers from U Nu's 1962 cabinet among them and most were newcomers. [passage omitted] Some of them claimed their names were included without their approval and others resigned. No country has recognized U Nu's parallel government. One remarkable point is that Tin Yi of the Burma Communist Party [BCP] Politburo acknowledged the existence of U Nu's parallel government. In other words, it implies that the BCP insurgents recognized U Nu's parallel government. Therefore, it can be said U Nu's parallel government continues to exist with BCP support.

U Nu's parallel government was formed during the time of Dr Maung Maung's government 10 days before the formation of the SLORC government was announced to the world. It cannot be said U Nu's government was formed in parallel to the SLORC government because on

19 September 1989—1 day after the formation of the SLORC government was announced to the world—a statement over the signature of Prime Minister Maung Nu [U Nu] was issued.

In Section 7-D of the statement, he said he no longer had any faith in the military clique governing the country and that the general elections to be held by the military clique would not be fair and free. Therefore, he urged all persons and organizations not to contest in the elections to be held under the supervision of the military clique. In subsection B it was stated that those running in the elections would be regarded as national traitors. In subsection C it was stated that U Nu, as prime minister, urged the entire country not to participate in the elections to be held by the military clique. [passage omitted]

According to this statement, all 117 political parties which are running in the forthcoming elections and all its members are national traitors.

Furthermore, there is Press Release No 1/88, dated 22 September 1988 and signed over the signature of Prime Minister U Nu, the Union of Burma Government, which the journalists already know about. The press release went to the extent of explicitly instructing the Defense Services to remove and eliminate senior military officials and to stage a rebellion. There is no precedent in the world like U Nu who, after he had openly formed a parallel government in violation of the law and openly instigated rebellion within the Defense Services, went on to have the LDP, which he heads as a patron, run in the elections to be held by the SLORC government. There is no political party in the world which practises such a method.

We have to tell the journalists of the excesses of U Nu in deeds and words. The SLORC has urged U Nu to dissolve his parallel government on paper if he believes that it exists only on paper in order to allow the LDP to run in the forthcoming elections like other political parties. We even told them that the matter would not be made public and urged them to correct the matter quickly. The matter was raised when secretary-1 of the SLORC [Brigadier General Khin Nyunt] met with responsible officials of the LDP on 29 November. Despite the privilege extended to them and our magnanimous attitude, U Nu, as is known to all, has replied in his letter that he could not dissolve the parallel government. This has been broadcast by the BBC and All India Radio.

On 22 December the secretary-1 of the SLORC again met with general secretary-1 and general secretary-2 of the LDP and urged them to dissolve the parallel government and to give a reply by 26 December. We hear that our good intentions have been interpreted as an ultimatum.

It was the good intention of the SLORC that they should reply by 26 December to enable those whose names were included in the cabinet of the parallel government to run in the elections as the names of candidates had to be

submitted by 28 December. However, not only did they not respond constructively, but Patron U Nu gave a news conference on 26 December and declared that he could not dissolve his parallel government. The report on this news has been broadcast by the VOA and All-India Radio. The veteran journalists can decide for themselves whether it is appropriate to continue to take a strong stance without withdrawing a serious offense instead of responding constructively. Patron U Nu remains intransigent in order to place the SLORC government in a tight corner. The SLORC government wants to hold the general elections smoothly and successfully. As it constitutes the last of the four tasks at hand for the SLORC, we would like all political parties to respond with goodwill and to cooperate in order to make the elections successful.

The attitude of the SLORC on the current situation is this.

1. Those in the parallel government will not be able to run in the elections because they belong to a parallel government which is an unlawful organization. Although they belong to the LDP, which is a legal political organization, they will not be able to run in the elections according to law as they belong to the parallel government which was formed in contravention of the law.

2. The LDP will be allowed to contest the elections like other political parties. As requested in U Nu's letter, the LDP is not dissolved by us. It can contest the elections if they so desire. If it is claimed that the parallel government exists, then members of this government can be interpreted as belonging to an organization which is against the state. Hence, under the Elections Law, they cannot contest in the elections.

3. Some members of the LDP will be summoned for interrogation as necessary in order to clarify the attitude of other persons, other than U Nu, as to whether they agree or not on the matter of the parallel government, following the statement issued by U Nu on the parallel government. No action will be taken against these persons so long as they have not committed other offenses. There will be interrogations to find out the truth of the matter of the parallel government. We have repeatedly stated that we are a referee who has to penalize those who have committed an offense. The penalty will match the offense. Only if we act impartially will the audience be satisfied. Otherwise, the audience will not be satisfied and there will be an uproar.

Continuing, the information committee says that the LDP patron, U Nu, has been giving speeches and issuing documents claiming that the Defense Services seized power in 1958 and 1962 and that he was right while the others were wrong. [passage omitted]

In reference to the coup in 1962, Retired General Ne Win gave a speech before the conference of the Defense Services in 1962. He said: The foremost point I would like to tell you is this. It is not good to seize power through force. It should not be done. I said this and believe fully in what I said. However, we had to do what

we should not have done because the situation required this action. [passage omitted]

We are not recalling the past. We mentioned Retired General Ne Win because he happened to be the person who said this. We are not speaking in defense of anybody. We do not speak in defense of Retired General Ne Win nor do we speak in defense of the one party system or the socialist economic system or the National Unity Party [NUP]. [passage omitted]

U Nu's statement that he would dissolve the parallel government if retired General Ne Win admits that he had done wrong and begs for pardon amounts to political blackmail. This matter should be settled among them. It should be of no concern to us. We do not know with whose support such an act of blackmail is being carried out. We would like to say it would be wrong to do this with external support.

We would like to point to two letters written by U Nu in 1980 in which he recognized the former government addressed to the then president, U Ne Win. [passage omitted] We find that the letters show that U Nu at that time fully supported the leadership of President U Ne Win. [passage omitted]

Continuing, the information committee said while U Nu's parallel government is supported by the BCP Politburo, Thanmani Bo Khin Maung, a cabinet member of U Nu's parallel government, is committing an act of rebellion against the state by joining the insurgents in the jungle. U Nu's son, Maung Aung, now a U.S. citizen, is a member of Thanmani Bo Khin Maung's group. All-India Radio, where U Nu's daughter, Than Than Nu, and his son-in-law, Aung Nyein, are working and other foreign broadcasting stations such as the VOA and the BBC are supporting opposition to the SLORC. Inside the country, U Nu is attacking the SLORC through his parallel government. It appears he is attacking the SLORC both from within and without. We are saying all this in self-defense. We are just stating the truth. [passage omitted]

We have been unfairly accused of being manipulated from behind by retired General Ne Win and of supporting the NUP. No one controls us from behind. As for the allegations of support for the NUP, please present us with evidence, if there is any. U Nu's action on the parallel government amounts to undermining our efforts for multiparty democracy. [passage omitted]

Next, explaining the submission of the candidates list, the information committee said the Elections Commission has prescribed 28 December to 3 January as the period for submission of the candidates list. [passage omitted]

As of 1000 this morning, the Elections Commission says that 14 parties have submitted the names of 140 candidates for constituencies in states and divisions. [passage omitted]

In response to a question from the XINHUA correspondent on our attitude toward Romania, the information committee replied that events in Romania are their own internal affair and only the Romanian people can decide on their own internal affairs.

In response to a question from the TASS correspondent, it was stated that journalists can go and ask questions freely of the Elections Commission as it is an independent body. What U Nu said about U Ne Win has nothing to do with us. The person concerned should be asked about it.

The news conference ended at 1500.

Capture of Palu From Thai Territory Reported

BK3012010489 Bangkok THE NATION in English
30 Dec 89 pp 1, 2

[Text] Tak—Burmese troops launched a decisive assault against a Karen guerrilla camp from Thai territory yesterday, capturing the ethnic stronghold opposite this northern border province, with the loss of about 200 Burmese soldiers and 20 Karen guerrillas.

About 500 Burmese troops crossed the Moei River, which serves as a natural border, into Thai territory at about 4 am yesterday morning to attack Palu, a Karen camp on land jutting into Thailand, according to informed field sources.

The offensive on the riverside Palu stronghold was supported by heavy mortar shelling with the outpost completely overrun at about 9 am, said the sources.

The attack on Palu started on Tuesday [26 December] night and had intensified by 3 am on Friday morning. About 40 stray shells landed on the Thai village of Ban Mae Kon Ken, which had been evacuated earlier in the week, slightly damaging 12 houses and a school building. The Karen managed to defend Palu, a blackmarket and base of their 7th military division, during an attack early this year.

The sources said about 2,500 Burmese troops were used in the offensive against about 600 defenders including 60 dissident Burmese student members of the All Burma Students' Democratic Front.

About 500 Karens retreated after the fall to Maw Ker, another outpost about 20 kms south of Palu while some crossed into Thailand.

One of the students Htay Tyint, 28, told THE NATION that the Burmese government troops made a lightning attack on the rear while the Karen were concentrating on the frontal attack. Several young Karen forces and about 10 students were believed to be captured by the Burmese, he said.

About 200 Burmese soldiers and 20 Karens including three students were reportedly killed.

With the fall of Palu, border sources predicted that Rangoon would move its operations for an assault on Thay Baw Bo and Kaw Mu Ra camps. Kaw Mu Ra, base for the Karen's special 101st battalion also survived Rangoon's attack earlier this year.

The sources said it was possible the Burmese launched the assault on Palu to clear a passage for a Thai logging firm to remove logs it had felled in several Karen-controlled border areas.

They said Sirin Technology Co Ltd, whose owner is a close associate of a senior Thai Army officer, had refused to pay "protection fees" to the Karen and bore several attacks on its operations during the past few weeks. All other Thai logging firms given logging concessions by Burmese authorities in areas opposite Tak have paid the Karens for the safe extraction of the logs.

—Meanwhile, a Burmese Catholic priest told THE NATION yesterday that Thai authorities on Thursday morning handed over 200 Burmese civilians, including women and children who took refuge on the Moei River bank on the Thai side, to the Burmese authorities. The roundup took place at about 4:30 am in the morning.

The priest, who requested anonymity, said all the men were later sent as porters to join the Burmese forces attacking Palu and Kaw Mu Ra while the women and children were held at a primary school in Myawaddy, opposite Mae Sot.

"The Burmese fled to Thailand six months ago after the government troops gangpressed them into becoming porters for their assaults on ethnic groups. We thought Thailand, being a democracy, would respect human rights," said the priest.

Brunei, Malaysia & Singapore

Malaysia

VOMD Says Japanese Fighters To Return Home

BK3012093489 (Clandestine) Voice of Malayan
Democracy in Malay 1215 GMT 29 Dec 89

["News report": "Two Japanese Internationalist Fighters Will Return Home"]

[Excerpt] In early 1990, two Japanese internationalist fighters in the Malayan People's Army, Kiyoaki Tanaka and Shigeyuki Hashimoto, will leave their Malayan comrades-in-arms with whom they have been faithfully living with for over 40 years, to rejoin their relatives for a happy retirement in Japan. The two Japanese comrades were sent by the (Nikima) Iron and Steel Company, where they were working, to its branch in Kedah State, Malaya in August 1944. Kiyoaki Tanaka was a 33-year-old technician when he arrived in Malaya. He is now 78. Shigeyuki Hashimoto was a 27-year-old company clerk. He is now 72.

When returning to the General Headquarters of the People's Army located in the jungle to meet comrades on 15 December, Comrade Chin Peng, general secretary of the Communist Party of Malaya, met the two Japanese comrades and extended his deepest respect and warmest greetings to them. Comrade Chin Peng warmly hugged and shook hands with them, wishing them good health and a long life. For Kiyoaki Tanaka and Shigeyuki Hashimoto, it was their first meeting with Comrade Chin Peng.

Later, Kiyoaki Tanaka told comrades that he had hoped day and night for the past 40 years to meet Comrade Chin Peng. He said: Now, my hope has been fulfilled. This long-unfulfilled hope has been satisfied before my return home. This is a great source of satisfaction for me. Shigeyuki Hashimoto told comrades: I feel happy and thankful for being able to meet Comrade Chin Peng, whom I had been longing to meet day and night following the successful peace agreements. But, I feel sad because I will have to part with him immediately after this meeting. Nevertheless, the two Japanese internationalist fighters said that the parting was inevitable because Comrade Chin Peng had many important tasks, while they themselves would immediately return home. They sincerely hoped that there would be a chance to meet Comrade Chin Peng again in the future. The two Japanese comrades greatly admired Comrade Chin Peng. They pointed out that the Malayan people's cause for peace and democracy would no doubt have a bright future under the leadership of Comrade Chin Peng. The success of the peace talks reasonably settled the issue of the armed struggle. Thus, they will return to Japan with ever greater pride. [passage omitted]

Singapore

Lee Kuan Yew Comments on Leadership Succession

BK3112114789 Singapore Domestic Service in English 1100 GMT 31 Dec 89

[Text] The prime minister has said we ended the 1980's in good form and hopes the 1990's will be the decade when Singapore comes of age as a developed country. In his new year message Mr Lee Kuan Yew says for 1989 we made 9.2 percent growth; for the 1980's as a whole the growth was 7.1 percent because of the recession in 1985.

Mr Lee said it has been a decade of self-renewal. A new generation has assumed leadership positions in the cabinet, parliament, and the public service. Before the end of 1990, Mr Goh Chok Tong will take over as prime minister. Mr Lee said Singapore enters the 1990's with its people and leaders confident that they have pulled together when the going got rough and can do so again. The future will not be plain sailing, but with the momentum of the investments already committed, plus higher productivity consciousness, Mr Lee says we shall achieve 4-6 percent growth for the 1990's.

On the global scene, the prime minister says the political earthquakes in Eastern Europe have changed the map of Europe and the world. Their impact and implications will take several years to work out. The bipolar world in which every international issue turned upon the need to contain the Soviet communist bloc has ended, and geopolitical relationships worldwide are altering. Mr Lee, however, says to maintain peace in the world there must be a new balance of power. For a few years, the Soviet Union will be less menacing, as it has to grapple with economic and political reform. China, too, is pre-occupied with leadership change as the Long March veterans pass on.

For Asia and the Pacific, the prime minister says, a sound relationship between America and Japan is crucial to stability and growth. This may be more difficult in the future without a common threat from the Soviet bloc. But for the present, Mr Lee says, ASEAN should enjoy peace with the prospect of more years of high growth. He says we should use this period to consolidate Singapore's political and economic position and increase cooperation within ASEAN.

The prime minister wishes all Singaporeans a happy new year.

Cambodia

Heng Samrin Closes Children's Rally 1 Jan

BK0201090790 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Jan 90

[Speech by Heng Samrin, general secretary of the KPRP and chairman of the Council of State, at the closing ceremony of the second national rally of children held by the Kampuchean People's Revolutionary Youth Union at Phnom Penh's Basak Riverfront Theater on 1 January—recorded]

[Text] On behalf of the Kampuchean People's Revolutionary Party [KPRP] Central Committee and the Council of State, I wish to most fondly welcome all children's representatives and express my feelings of love, interest, and satisfaction, as well as best wishes for good health and more brilliant successes to all children. [applause]

I wish to express warmest welcome to all the children in the Vietnamese children's delegation attending this ceremony, thus making it even more grandiose and joyous. May all of you, children, enjoy good health and bright wisdom in this 1990 international new year. [applause]

Dear children: I have attentively followed the essence of your work from the beginning to the successful closing of this second national rally of children. I am very pleased and wish to praise all children who have made great efforts in your emulation movement to seize the opportunity to be good children, good students, and good friends to the point of achieving brilliant successes for the motherland.

I wish to dedicate the successes you have scored to the 11th anniversary of the victory day on 7 January 1979 which will fall on 7 January 1990. I also hope that your determination to implement the emulation movement will further be enhanced. [applause]

Also on this occasion, I sincerely praise cadres of the youth union, teachers, and cadres in charge of children's affairs, the educational institutions and other specialized institutions who have made every effort in personally helping and advising children, thus successfully strengthening and expanding the Cambodian young pioneers organization.

Dear children, during the past 11 years under the correct and wise leadership of the KPRP, the State of Cambodia has advanced actively, bringing rapid changes and progress to all fields of work, political, economic, cultural, military, and diplomatic, thus enhancing the identity and role of our State of Cambodia inside the country and in the international arena. This has enabled our State of Cambodia to stand firmly on the road toward progress. On the contrary, the parties on the other side are still stubbornly refusing to abandon the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique. They have been resorting to military adventure by launching offensives to sabotage all our achievements and our people's peaceful life and to stamp out the laughter which has been joyously heard in schools, villages, and communes throughout the country since the Vietnamese Army volunteers were totally repatriated from Cambodia. Therefore, this 1990 is a year of great significance for our Cambodia's own forces which must be fully responsible for the tasks to defend and build our beloved motherland.

Under the circumstances, as our country is in a state of peace and war, all of us should see the danger of the genocidal Pol Pot regime's return. All of us, young and old and men and women alike, should mobilize all efforts to fight and prevent this atrocious regime from returning. That is, in this immediate period, it is imperative to employ all our combined forces, including a small but powerful force of all children, to jointly fulfill the tasks of national defense and construction. Our society cannot belittle the children's force. Although small, this force is powerful and useful for the motherland both currently and in the future.

All children are the good seeds of the Cambodian motherland. Therefore, you should strive to temper and build yourselves in a way worthy of being the young pioneers who will succeed the cause that the preceeding generations have fought for and scored by sacrificing their lives in order to liberate the country from the oppressors, bloodsuckers, and butchers of the people.

Dear children, I fully agree with the essence of your patriotic emulation movement which was unanimously agreed upon a while ago by representatives of the second national rally of children.

I highly value the spirit of the children's emulation movement's essence which has been set in line with both the situation in the motherland and with children's physical and intelligent strength.

The patriotic emulation movement has excellent, broad significance and is an effective compass showing the way for all children to see everything which is good and useful to the motherland and the development of the entire Cambodian society, thus encouraging them to vigorously contribute to realizing the tasks of defending and building the motherland to make it advance toward prosperity and glory.

To implant the essence of the patriotic emulation movement among children of all strata and of all nationalities both in the cities and the countryside, all of you should carry out your work in accordance with the following three basic forms: the ideological education work, work to stimulate the movement, and organizational work. This means that all children who are the commands, joint chapters, and chapters under the direct guidance and leadership of cadres of the youth union and cadres in charge of children's affairs and with the assistance of the school committees must enhance your efforts in giving advice so that all children understand the essence and significance of the patriotic emulation movement. You must know how to encourage them to work and give them work to do. Only by so doing will your patriotic movement become concrete and achieve good results. Moreover, you must appropriately modify and adapt your program of action to suit the conditions in your respective areas and the program of the chapters.

Dear children, in carrying out all kinds of work—big or small and difficult or easy—if each of us has lofty determination, perseverance, sense of mastery over the society, patriotic spirit, and sense of clearly differentiating friends from foes, particularly if there is unity in the organization, we will certainly be able to achieve excellent success. For this reason, all Cambodian children throughout the country should enhance your perseverance, determination to struggle and to learn all school subjects well, help those friends who are weaker, and pledge to fulfill all tasks assigned by the collective, concerned cadres, and teachers, including the study, the labor work for the society, and the handicraft work.

Moreover, all of you must strive to strengthen and expand the Cambodian young pioneers organization by ensuring its political knowledge and its quantity. You must strictly abide by the discipline of the young pioneers organization [words indistinct] as written in its statute.

Dear comrades and friends, for the work to build, strengthen, and expand the young pioneers organization and the implementation of the new emulation movement to achieve excellent success, it depends on the capability to lead of cadres in charge of children's affairs and the assistance, morally and materially, of the school committees, the people's committees at all levels, the

other specialized organizations concerned, and the various mass organizations. Therefore, I would like to call on concerned cadres and teachers to always strive to enhance your abilities in cultural and political fields, in leading, guiding, and organizing activities, and in administrative management. This is because the number of children's forces, members of the young pioneers organization, is increasing with each passing day.

Moreover, the party and state institutions and mass organizations as well as other specialized organizations must strive to give more vigorous assistance to our Cambodian young pioneers organization in order to enable our children to enhance their pioneer role in our national society, master work in their own organization, and increase their all-around capabilities so that in the future they will become outstanding members of the young pioneers and the good citizens to succeed the correct cause of our party, state, and motherland. [applause]

Once again, I wish to express my full confidence in the brilliant success of the implementation of the essence of the young pioneers patriotic emulation movement. [applause]

In conclusion, I wish all children and all national and international guests good health and bright wisdom. [applause]

May this new year bring peace, well-being, and progress to mankind! [applause]

As proof of the trust of the party and state, on behalf of the party Central Committee and the Council of State, I would like to present a banner bearing the script of the patriotic emulation movement's essence to this second national rally. [applause]

Sihanouk Interviewed on UN Seat, Khmer Rouge

BK3112053089 Hong Kong AFP in English 0518 GMT 31 Dec 89

[Text] Paris, Dec 31 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk said in an interview published here that he would accept Cambodia's seat at the United Nations being declared vacant provided the country was put under U.N. administration pending free elections. The seat is currently held by the tripartite Coalition Government of Democratic Kampuchea (CGDK), headed by the prince, which opposes the Vietnamese-backed government of Hun Sen in Phnom Penh.

The suggestion of a U.N. role in governing Cambodia, coupled with vacating the United Nations seat, was put forward by Australian Foreign Minister Gareth Evans on November 24. Mr. Hun Sen has so far expressed more interest in the plan than Prince Sihanouk and his partners in the uneasy coalition, the Marxist Khmer Rouge and the non-communist Khmer People's National Liberation Front (KPNLF).

In his interview with the newspaper LE FIGARO, published Saturday [30 December], the prince said that the Phnom Penh government and the CGDK should "scuttle themselves" during the period of U.N. administration, which could last "a year, or even just three months." He also said he favoured another international conference on Cambodia, similar to one in Paris last August which failed for lack of agreement after Mr. Hun Sen rejected any role for the Chinese-backed Khmer Rouge, accused of killing hundreds of thousands of Cambodians during their four-year rule before they were ousted by the invading Vietnamese in 1979.

The prince said there would be no point in trying to seek unanimity because that would never happen. "But let us find a majority agreement on a solution. I would support that solution, even if China is opposed," he said.

Prince Sihanouk admitted, however, that no one could eliminate the Khmer Rouge, the most powerful guerrilla faction in the resistance coalition, and said he was "cornered" by China. "Without China, I can do nothing. It gives me the few weapons we have. It gives me a home and food," he said in the interview, given in Beijing.

The prince insisted he was still hostile to the Khmer Rouge, denying that he was in alliance with the extreme Marxist organisation. He said he had no contact with its notorious leader, Pol Pot, since it was ousted from Phnom Penh. But he said he knew that Pol Pot was still the Khmer Rouge's leader, despite its claims that he had stepped down.

Prince Sihanouk also accused the United States of having maintained the Khmer Rouge at the U.N. from 1979 to 1982, before he became head of the CGDK, and said he had information that the U.S. Central Intelligence Agency had "advisers" in Khmer Rouge camps on the Thai-Cambodian border.

He said the Vietnamese, who said they had withdrawn all their forces from Cambodia at the end of September, were still driving the tanks and piloting the aircraft of the Phnom Penh government forces. He also said he "applauded" a suggestion by France's secretary of state for humanitarian action, Bernard Kouchner, that an international brigade be formed to fight the Khmer Rouge.

Fierce fighting has been taking place in Cambodia since the Vietnamese withdrew, and the guerrilla resistance factions claim to have made substantial gains.

Sihanouk 'Distrust' of Khmer Rouge Discussed

BK0201074090 Hong Kong AFP in English 0718 GMT 2 Jan 90

[By Charles-Antoine de Nerciat]

[Text] Bangkok, Jan 2 (AFP)—Non-communist Cambodian resistance officials, fearing inflexibility from their powerful Khmer Rouge allies as they make military advances, have expressed hope in recent interviews that

Cambodia's Hanoi-installed government will accept a peace settlement. Officials from Prince Norodom Sihanouk's guerrilla faction, who declined to be identified, said the Khmer Rouge, the dominant group in a tripartite anti-Phnom Penh guerrilla alliance, would inevitably reverse their present conciliatory line as their Chinese-supplied guerrillas made further military gains.

The Khmer Rouge were toppled from power in Cambodia 11 years ago when Vietnam invaded the Southeast Asian country, ending their nearly four year brutal Marxist rule that killed hundreds of thousands. They have been joined in the uneasy anti-Phnom Penh coalition, which holds Cambodia's seat at the United Nations, by two non-communist factions made up of followers of Prince Sihanouk, Cambodia's former monarch, and the Khmer People's National Liberation Front (KPNLF).

The secretive Khmer Rouge have ostensibly toned down their radical ideology, although they are widely believed to retain the same fanatical Marxist leadership headed by Pol Pot that ruled Cambodia between 1975 and 1979 and have constantly refused to admit to acts of genocide during that period. They have demanded to be included in an interim coalition government, formed with representatives of all conflicting Cambodian factions, but have pledged to accept Western-style elections in Cambodia.

"If the military situation continues to develop as it does, with Phnom Penh forces suffering increasing setbacks, the Khmer Rouge will inevitably modify their attitude," an official in Prince Sihanouk's faction said. "They will retract all concessions they have accepted and become inflexible," he said.

Saying that Phnom Penh Prime Minister Hun Sen should drop his rejection of inclusion of the Khmer Rouge in an interim government, the guerrilla official added: "Hun Sen is in no position to stop the Khmer Rouge. On the contrary, his uncompromising stand is paving the way for their return to power."

The question of Khmer Rouge inclusion in an interim government led last year to the collapse of an international conference on Cambodia in Paris, with Mr. Hun Sen categorically rejecting the guerrilla coalition's demand to that effect.

In a New Year's greetings to Prince Sihanouk, the guerrilla coalition's nominal head, the Khmer Rouge said they were certain to defeat the Phnom Penh government installed by Vietnam and dominated by Khmer Rouge defectors. In their message to the prince, they said that they had "won big victories, both in the battlefield and the international arena" in 1989, adding, "we are convinced that the year 1990 will bring even greater victories." "Our Cambodian national resistance forces headed by Samdech (Your Highness) will certainly be victorious," the Khmer Rouge message read.

Prince Sihanouk has repeatedly expressed strong feelings of distrust for the Khmer Rouge, but has also insisted

that the faction, which represents approximately half of the guerrilla alliance's 50,000 fighters and enjoys massive military assistance from China, must be included in any settlement. Beijing also gives residual aid to the non-communist groups, which also receive limited supplies from Western countries including indirect aid from the United States.

In a move judged to be of great significance to Cambodians, the Khmer Rouge military command last week ordered its guerrillas to seize control of the famed ancient Angkor temple complex, in northern Cambodia, the very symbol of the Khmer nation.

Since Vietnam announced a complete withdrawal of its troops from Cambodia at the end of September, the Khmer Rouge and their allies, who do not acknowledge Hanoi's pullout, have stepped up their attacks against Phnom Penh's fledgling armed forces. The guerrillas have overrun a number of small towns and government outposts in areas close to Thailand's border.

But guerrilla infiltrations, essentially by Khmer Rouge commando units, are believed to run far deeper inside Cambodia, covering most of the country except southeastern areas bordering Vietnam, analysts have said.

Officials from the Sihanouk movement, saying that Phnom Penh's army, with an estimated force of some 45,000, was no match for the well-trained Khmer Rouge, reasoned that a power-sharing arrangement comprising representatives of all warring factions was the only way to avert a complete takeover by Cambodia's former rulers.

A spokesman for the KPNLF also said that Phnom Penh's government forces were in no position to win militarily "due to poor training and lack of motivation." Sopheap Ok Serei said that the West, principally the United States, should throw its full support behind the non-communist guerrilla groups to offset the military might of the Khmer Rouge. "We deserve their assistance. Barring U.S. aid (to the non-communists) the Khmer Rouge will be encouraged to show inflexibility," he said.

Late Dec Resistance Groups' Actions Reported

BK0201080590 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 2 Jan 90

[Text] According to a report of the Sihanoukist National Army [ANS] General Staff Headquarters, the day before yesterday ANS combatants destroyed three Vietnamese-Heng Samrin Soviet-made T-54 tanks and seized another in several ambushes to cut off enemy forces attempting to recapture a number of positions in Oddar Meanchey Province that had been attacked and captured by ANS combatants a few days ago.

The report revealed that besides the Ampil District seat, the Pong Toek, Rumduol, and Baray positions were completely captured by ANS combatants on 29

December. The Vietnamese-Heng Samrin forces sent many additional infantry reinforcements supported by T-54 tanks in an attempt to recapture these positions from ANS combatants. However they were intercepted and routed by ANS combatants who destroyed three T-54 tanks and seized another on the same day.

It was reported that at 0930 on the day before yesterday, Vietnamese-Heng Samrin troops supported by two T-54 tanks attempted to recapture the Baray position held by ANS forces. They were ambushed by ANS combatants who set one of the tanks ablaze and captured the other midway between Kouk Mon and Baray. On the same day, ANS combatants ambushed and set ablaze two other Vietnamese-Heng Samrin tanks coming from Samraong to help in the attack on Kouk Mon commune. The report noted that ANS combatants killed at least 17 Vietnamese-Heng Samrin soldiers in an ambush against Vietnamese-Heng Samrin reinforcements trying to recapture positions already lost to the ANS.

At the same time, a report of the Khmer People's National Liberation Army (KPNLA) General Staff said that KPNLA combatants killed 26 Vietnamese-Heng Samrin soldiers and wounded some others in an attack in Battambang Province.

According to the report, on 27 December KPNLA combatants of the 1st Brigade, 806th Regiments, and Commando Unit of the KPNLA General Staff repulsed Vietnamese-Heng Samrin troops attempting to recapture Kakaoh Village in Thmar Puok District, Battambang Province. This engagement lasted for 3 hours. As a result, 26 Vietnamese-Heng Samrin soldiers were killed and 5 others were made prisoners. The KPNLA seized 2 B-40's and 14 AK-47's.

It was further reported that the KPNLA in the 3d Operational Zone unearthed 19 weapons of the Vietnamese-Heng Samrin soldiers on 19 December at (Ta Sman) and (Don Pok) positions in Thmar Puok District, Battambang Province. These weapons included 1 DK-82mm, 2 RPD's, 2 RPK's, 13 AK-47's, and 1 SKS. On 18 December KPNLA combatants of the 3d Operational Zone clashed for 6 hours with 90 Vietnamese-Heng Samrin soldiers west of Pou Village, Ampil District, Oddar Meanchey Province. As a result, some Vietnamese-Heng Samrin soldiers were killed or wounded.

Khieu Samphan Issues New Year's Greetings

BK0101131490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Dec 89

[1990 international New Year's greetings message from Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs—recorded]

[Text] All respected and beloved comrades-in-arms, who are cadres and male and female combatants of the National Army of Democratic Kampuchea [NADK], and compatriots.

On the occasion of the 1990 international new year, I would like to convey best wishes to all comrades-in-arms of the NADK and to the comrades-in-arms of transport units, services, offices, as well as our entire people and our compatriots living abroad and inside the country. May all of you have the best of health and lasting successes in fighting the Vietnamese enemy aggressors!

At present, our people's national liberation struggle is at a new turning point. We need to continue our arduous, tenacious struggle and victory will be with our people and our Cambodian national resistance forces headed by His Royal Highness Samdech Norodom Sihanouk.

1. On military battlefields: By implementing guerrilla and popular warfare throughout the country, our forces are conducting vigorous attacks against the Vietnamese enemy aggressors and puppets on the battlefields of western Cambodia, especially on the Battambang and Siem Reap-Angkor battlefields. Over 100,000 SRV soldiers and Vietnamese reinforcement troops are trying to reverse their defeats on the two great battlefields, but it is extremely difficult for the Vietnamese enemy aggressors to know exactly whether or not they are able to resist us.

The Vietnamese troops are severely demoralized because they have to fight and hide at the same time in order to avoid being caught by the Cambodian resistance forces and the world. The Vietnamese and puppet troops have been heavily defeated on Pailin-Route 10, Samlot, south Sisophon, Malai, Thmar Puok, Anlung Veng-Route 69 along the Dangrek mountain range, and Route 63—between Anlung Veng and Sre Noy and between Sre Noy and Banteay Srei-Pradak—battlefields, and so on. The Vietnamese enemy aggressors have basically lost the stockpiles of war materiel that they shipped over many years from Vietnam for use on the battlefields in western Cambodia. The railroad and Route 5, which are vital supply links of the Vietnamese enemies and their puppets in Battambang, have been repeatedly cut, and the portion of railroad and highway between Pursat and Battambang has been completely destroyed for over a month now since 16 November 1989. The portion of Route 6—between Kompong Thom and Siem Reap in Kompong Svay and Stoung Districts—which is the Vietnamese enemies' essential supply route in Siem Reap-Angkor, has also been totally cut off for more than 2 months now. The Tonle Sap lake is relatively low at present, so how can the supplies of provisions, ammunition, and medicines reach the Vietnamese and puppet troops in Battambang and Siem Reap-Angkor, as well as in other areas on the western battlefield? This is a serious problem for the Vietnamese enemy aggressors in the coming dry season.

2. On the political front: The development of the struggle conducted by our people at present clearly shows which side the Cambodian people have supported. Are the Cambodian people with the Vietnamese enemy aggressors and their puppets or are they, in cooperation with the Cambodian resistance forces—under the leadership

of Samdech Norodom Sihanouk—fighting the Vietnamese enemies and puppets? Who is the real representative of the Cambodian people—the Cambodian Coalition of Democratic Kampuchea [CGDK] headed by Samdech Norodom Sihanouk, the president of Democratic Kampuchea [DK], or puppets Hun Sen and Heng Samrin propped up by the Vietnamese aggressors in Phnom Penh and being used as tools for their aggression?

The world recalls that the Vietnamese enemies sent 21 divisions of their Army to invade and occupy Cambodia. Without the Cambodian people in combination with the Cambodian national resistance forces waging guerrilla warfare to attack and gradually destroy the Vietnamese 21 divisions for 11 years, the Cambodian national resistance forces would never have been able to achieve the present successes on the battlefields in western Cambodia. The Vietnamese enemies and puppets have painstakingly conducted deceptive propaganda that apart from the western part of Cambodia which has been liberated by the Cambodian national resistance forces, other regions are still under their control. In fact, the Vietnamese-puppet administrative networks in villages and communes have been repeatedly scattered and destroyed for 11 years by the Cambodian people in cooperation with the national resistance forces. Those villages have become liberated villages, semi-liberated villages, scattered villages [phum kamchat kamchay], and night-time liberated villages [phum romdaoh yop] throughout the country, including on the western and eastern banks of the Mekong river, Ratanakiri, Mondolkiri, Stung Treng, Kratie, east Kompong Cham, Prey Veng, Kandal, Takeo, Kampot, and so on up to the border adjoining Vietnam.

It is because of this situation that the Vietnamese enemy aggressors have been forced to split their forces in order to resist our people and national resistance forces' activities in villages, communes, and on various small and big supply routes all over Cambodia. However, they never can resist us. Some of the 21 Vietnamese divisions have been completely crushed and others have been turned into communal and traffic police forces.

On battlefields in western Cambodia in particular, without the cooperation from the Cambodian people, the Cambodian national resistance forces would have not been able to cut off repeatedly and completely destroy the portions of railroad track and Route 5 linking Pursat and Battambang and the portion of Route 6 between Kompong Thom and Siem Reap-Angkor in Kompong Svay and Stoung Districts. Without damaging the railroad track and Routes 5 and 6, the Cambodian national resistance forces could never have scored victories in Pailin, west Battambang, Route 10, Anlung Veng along the Dangrek mountain range, and other areas in western Cambodia. Without liberated villages, semi-liberated villages, scattered villages, and night-time liberated villages along Routes 6 and 5 and the railroad tracks, the Cambodian national resistance forces would not have been able to stay there in order to conduct

activities to crush the Vietnamese and puppet troops defending the routes and cut the routes.

This is irrefutable evidence that the Cambodian people are on the side of the Cambodian national resistance forces headed by Samdech Norodom Sihanouk fighting the Vietnamese enemy aggressors and the Hun Sen-Heng Samrin puppets.

3. In the international arena. The Vietnamese enemies have also been continuously, utterly defeated for the past 11 years in the international arena. This year in particular, the Vietnamese enemy aggressors suffered a great loss.

The fighting on the international battlefield is to establish the nature of the war in Cambodia: Is it a war of aggression committed by the Vietnamese or a Cambodian internal war?

For 11 years, the Vietnamese enemies have conducted maneuvers to fool world opinion into believing that the war is a civil war. However, from the beginning the world has not considered it an internal war, and it has more and more clearly realized this with each passing year.

At the Paris International Conference on Cambodia in August 1989, the majority of delegates demanded that the Cambodian problem, stemming from the war of aggression committed by Vietnam against Cambodia, be resolved comprehensively and that the United Nations verify the withdrawal of Vietnamese troops in all their forms from Cambodia.

On 16 November 1989, that is, nearly 2 months after the deceptive complete troop withdrawal maneuver staged by the Hanoi authorities, the UN General Assembly with more favorable votes than in previous years—that is, 124 to 17—adopted a resolution demanding that Vietnam withdraw all of its aggressor forces from Cambodia and more clearly stipulated that control and supervision should be implemented by the United Nations over the withdrawal of the Vietnamese troop withdrawal. As such, the world has unequivocally judged that the war in Cambodia both before and after September 1989 is a Vietnamese war of aggression against Cambodia. After September 1989, the war remains a war committed by the Vietnamese invaders against Cambodia.

Despite denunciations launched by the Vietnamese enemies and their accomplices against the UN resolutions, the Cambodian national resistance forces, Samdech Norodom Sihanouk—president of DK and leader of the Cambodian national resistance forces—and Democratic Kampuchea, the nature of the Vietnamese war of aggression against Cambodia cannot be covered up.

4. In the situation where the Cambodian people's struggle has been speedily advancing, and the world has continued to demand that the United Nations control and supervise the withdrawal of all Vietnamese aggressor

forces from Cambodia, Vietnam and the Soviet Union have become increasingly anxious. Rogachev [Soviet deputy foreign minister] recently came to Hanoi. After conferring with the leadership in Hanoi, he and Vietnamese leaders ordered the Phnom Penh puppets to *issue on 6 December a statement requesting the United Nations to supervise the so-called elections.*

The Hanoi authorities and the Soviet Union have also launched fallacious diplomatic maneuvers at others places on the recognition of the UN role. But Vietnam, the Soviet Union, and the puppets have only talked about the UN role but never said a word concerning the control of the Vietnamese aggressor forces that the Hanoi authorities have hidden in the puppet regime. Is this not an attempt to deceive the United Nations into endorsing the false withdrawal of Vietnamese troops from Cambodia and the election farce to be staged by Vietnam and its puppets? Is this not a maneuver to fool the United Nations into legalizing the puppet regime and endorsing the Vietnamese forces in hiding in the puppet services, offices, administration, and army?

The world has clearly seen the dishonest intention of Vietnam and the Soviet Union through their various gambits.

5. The Vietnamese war of aggression against Cambodia can never be resolved with tricks. The Hanoi authorities and their cronies have continuously carried out deceiving maneuvers in different forms but with the same purpose, that is to continue to maintain an exclusive or dominant role for their puppet regime with the aim of hiding their aggressor forces in the puppet regime and occupying Cambodia forever.

The Cambodian people need to settle the Vietnamese war of aggression against Cambodia through comprehensive political means so that Cambodia can regain its independence, neutrality, and nonalignment within its absolute territorial integrity. The ASEAN states and the majority of countries the world over wish to see Cambodia as an independent, neutral, and nonaligned country with genuine territorial integrity so that peace and security can be restored in Cambodia and Southeast Asia.

In regard to the principal role of the United Nations in a comprehensive settlement of the Vietnamese war of aggression, the position of the CGDK, the Cambodian national resistance forces, and Samdech Norodom Sihanouk—president of DK and leader of the Cambodian national resistance forces—is unequivocal as pointed out in the five-point peace proposal of Samdech Norodom Sihanouk and in the detailed program for the implementation of the peace proposal which the CGDK put forth on 9 February 1989. The stand can be outlined as follows:

1. The United Nations verify the withdrawal of all types of Vietnamese forces from Cambodia.
2. The United Nations oversee a cease-fire.

3. The United Nations control and supervise the disarming of all Cambodian parties according to a concrete agreement.

4. The United Nations guarantee the formation of a provisional equal quadripartite Cambodian government headed by Samdech Norodom Sihanouk.

5. The United Nations and the provisional four-party Cambodian government will jointly conduct a definite and correct national census.

6. The United Nations supervise free and democratic elections.

7. A UN peacekeeping force will ensure peace, security, and stability in Cambodia for an indefinite duration.

8. The United Nations guarantee Cambodia's independence, neutrality, nonalignment within its territorial integrity, liberal economic system, and permanent free democratic regime.

The world is requested to consider this. With the United Nations' well-defined control and supervision role and also its participation in guaranteeing the implementation of the above-mentioned eight points, what will be a possible loophole for any party to impinge upon any other party or for Cambodia to threaten other countries. No party will be allowed to violate any other party and Cambodia will in no way be a threat to other countries.

The overwhelming world opinion has considered the stand adopted by Samdech Norodom Sihanouk—president of DK and leader of the Cambodian national resistance forces—and the CGDK's position based on the 5-point peace proposal of the samdech as rational, broad-minded, and virtuous. The positions are aimed at resolving the Cambodian problem through political means and with goodwill.

6. On this occasion, we would like to express again our deep thanks to the peace-and-justice loving countries the world over, especially the ASEAN countries, for their constant support and assistance to the cause of our Cambodian people's just struggle for the past 11 years. The successes that we score at present are inseparable from this precious support and assistance. We thank all the countries which continue to bring diplomatic pressure to bear on the Hanoi authorities, deny aid to them, and sever trade relations with them, as well as demanding that they withdraw all their aggressor troops from Cambodia. We would like also to thank all the countries that have continuously endorsed the annual UN resolutions for the past 11 years and, especially, the 124 countries which adopted this year's UN resolution.

This year's resolution has a special significance for it was a direct hit at Vietnam's deceptive maneuver on troop withdrawal and prevented Vietnam from carrying out its fallacious gambit on the UN role. This is also valuable support and assistance to the cause of national liberation struggle conducted by the Cambodian people. We would like to appeal to all the countries to continue demanding that the Vietnamese war of aggression against Cambodia be resolved comprehensively and politically based on the 5-point peace plan of Samdech Norodom Sihanouk.

Respected and beloved compatriots and comrades-in-arms: The Vietnamese enemy aggressors are faced with serious difficulties.

1. They have bogged themselves down for 11 years and are faced with heavy defeats on the battlefield of aggression against Cambodia.
2. Their crippled economy cannot be saved.
3. The world continues to put joint, stronger pressure on them. Their diplomatic maneuvers continue to be frustrated.

4. This year, the Vietnamese enemies have suffered another unexpected severe setback, that is the Warsaw pact and the Council for Mutual Economic Assistance, which back them, are moving toward collapse. This event is a direct and telling blow to the Vietnamese enemies' Indochinese federation strategy, causing them to worry about the fate of the Hanoi regime itself. In this situation, what else can Hanoi rely on? The Vietnamese wolf now finds itself at the bottom of the well.

On the occasion of this international new year, it is necessary that we compare the situation of our struggle with that of the Vietnamese enemies in all fields in order to see who is in a position of strength. In fact, the position of strength militarily, politically, and diplomatically on the battlefields and in international arenas is on the side of the Cambodian people and Cambodian resistance forces headed by Samdech Norodom Sihanouk. Seeing this, we should strengthen our confidence in our struggle. Moreover, we have also clearly seen that, although they have been heavily defeated on the battlefields of aggression against Cambodia and despite their serious multifaceted difficulties, the Vietnamese enemies do not consent to spit Cambodia out yet. So, we should continue our joint efforts to squeeze their throats until they are forced to spit. We should not be complacent with our successes by continuing to preserve them and launch offensives against the Vietnamese enemy aggressors. We should not under any circumstances allow them to have time to accumulate and rebuild their strength.

So far, our tripartite Cambodian national resistance forces have cooperated well with each other. On battlefields, we have closely cooperated and scored great successes. In international arenas, specifically at the Paris International Conference on Cambodia and the 44th UN General Assembly, we have also united to gather forces of the friendly countries the world over to attack the Vietnamese enemies, scoring significant successes. We should continue to stick together in the international arena as well as on the battlefield in order to speed up our victories. We should reunite to liberate our country at present and remain united to defend and rebuild our country in the future.

We have put forth a number of essential principles to establish Cambodia's future constitution. Therefore, we should continue to reunite based on the framework of

the draft constitution so that our nation can be in peace and safety forever after our victory over the Vietnamese enemy aggressors.

On this occasion, I would like also to appeal to all Cambodian soldiers—who are forcibly conscripted by the Vietnamese enemy aggressors to fight our Cambodian national resistance forces on the Battambang, Siem Reap-Angkor, Route 10, Route 5, railroad, and Route 6 battlefields, as well as other areas throughout the country—to flee the Vietnamese enemy ranks quickly. As a matter of fact, the Vietnamese enemies are closely following you and will kill you when you try to escape. You are really anxious: Fleeing or not, you will die all the same. However, from examples of those Cambodian soldiers who have fled, it is true that some have died during the escape but many others have survived. So, to save your own skins, it is imperative that you desert the Vietnamese enemies or revolt and attack them in order to open up a way for your escape. You should not stay and die with the Vietnamese enemies as a traitor. If you die, you should die as a patriot who has contributed to fighting and demolishing the Vietnamese enemy aggressors. And if you live, you should live as a patriot who denies serving them.

In conclusion, I would like extend best wishes to our comrades-in-arms of the NADK, the female portage units, the three groups of the Cambodian national resistance forces, and the entire compatriots. May all of you have the best of health, zealous fighting spirit, and new, still greater successes in your struggle to liberate our beloved Cambodian motherland from the grip of the Vietnamese enemy aggressors.

The year 1990 will certainly bring new and still greater successes to our people and the three groups of Cambodian national resistance forces.

Long live Samdech Norodom Sihanouk's 5-point peace plan!

Long live great national unity to defeat the Vietnamese enemy aggressors!

Regiment Said Defeated on Route 10 Battlefield

BK0201030490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian
2315 GMT 1 Jan 90

[Text] On 30 December, our combatants intercepted and defeated Vietnamese enemy and puppet troops of the 14th regiment under the command of the 4th division, who were conducting a sortie from Sre Andong, Route 10 battlefield, in an attempt to confront our Cambodian national resistance forces. We killed 19 Vietnamese and puppet soldiers on the spot and wounded 29 others. We destroyed many guns and some war materiel.

Many of the soldiers, who were forced to retreat in disarray, were also killed by our land mines.

Track South of Battambang Said Cut Again

BK0201025690 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Jan 90

[Excerpt] On the night of 30 December, our national resistance forces attacked and cut off the portion of railroad track between Svay Cheat and Thippadei on south Battambang battlefield with 6 consecutive holes. Each hole covering an area of 70 meters is 3 meters in diameter and 2 meters deep. [passage omitted]

Laos

Champassak Province Releases 19 Thai Villagers

BK3012130489 Vientiane Domestic Service in Lao 1200 GMT 30 Dec 89

[Text] According to a report from Champassak Province, following consultations and an exchange of views at the local level on the 19 Thai citizens who entered Lao territory on 17 December to illegally fell trees in Boun Phak Ileut, Meuang River mouth, Houai Sai reserve forest area, the authorities of Phonhong District, Champassak Province, on the afternoon of 29 December, handed the 19 Thais to officials of Phibunmangsan District in Thailand's Ubon Ratchathani in line with the spirit of the brotherly and good neighborly relations between the Lao and Thai peoples.

Foreign Ministry Issues Statement on Cambodia

BK2912040389 Vientiane Domestic Service in Lao 0000 GMT 29 Dec 89

["Statement" of Foreign Affairs Ministry of Lao People's Democratic Republic; dated 25 December]

[Text] In the recent past, many significant factors have emerged in favor of efforts to seek a means to settle the Cambodian problem. Many proposals and initiatives have been raised for consideration. Noteworthy are those put forth by His Excellency Chatchai Chunhawan, prime minister of the Kingdom of Thailand, and by his excellency the prime minister of Australia, who has mediated efforts to settle the problem. World public opinion has supported and hailed the total withdrawal of Vietnamese volunteer troops from Cambodia. However, it has expressed concern over acts by the Cambodian resistance factions that took advantage of the Vietnamese withdrawal to wage a new war against the State of Cambodia, paying no heed to the good intentions of the State of Cambodia, which has systematically made the terms of settlement as easy as possible.

The Cambodian people, who have experienced severe suffering and disasters caused by the genocidal Pol Pot regime, earnestly want to survive and rehabilitate and build the country in peace, and to be friends with all countries, particularly neighboring countries, without threats from the genocidal regime in Cambodia. The Cambodian people have fully been owners of the country

for a decade and now have sufficient conditions to settle their internal problem by themselves without interference from the outside.

At present, a basis for meetings to seek a means to settle the problem has been created. With good intentions to resolve the Cambodian problem, the Government of the State of Cambodia has put forth a reasonable proposal aimed at boosting the existing process of talks to find ways and means to politically settle the Cambodian problem. The statement by His Excellency Hun Sen, chairman of the Council of Ministers and minister of foreign affairs of the State of Cambodia, on the readiness of his government to take into account all creative proposals, such as the initiative of His Excellency Chatchai Chunhawan, prime minister of Thailand, and the plan of His Excellency Evans, Australian foreign affairs minister, has shown the significant, flexible, and conciliatory policy of the Government of the State of Cambodia in connection with this issue. This policy is intended to end the disputes at an early date, halt the military assistance to the various Cambodian factions, prevent the genocidal Pol Pot regime from returning to power, obstruct foreign interference, and march forward to achieve national concord, building and developing the prosperous Cambodian country.

The Government of the Lao People's Democratic Republic [LPDR] fully supports the flexible stand and policy of the State of Cambodia as proposed by His Excellency Hun Sen with a view to creating favorable conditions for the systematic, comprehensive, and durable settlement of the Cambodian problem to worthily contribute to the cause of turning Southeast Asia into a region of peace, stability, friendship, and cooperation. The LPDR pledges to do its best to contribute to settling the Cambodian problem. It is also ready to participate in all consultative meetings to bring about a reasonable settlement of the Cambodian problem for the happiness of the Cambodian people.

Vientiane, 25 December 1989.

Science Minister, FRG Envoy View Cooperation

BK0201100190 Vientiane KPL in English 0918 GMT 2 Jan 90

[Text] Vientiane, Jan 2 (KPL)—The Embassy of the Federal Republic of Germany on December 29, presented here 15 volumes of universe dictionaries to the Lao Ministry of Science and Technology.

In their discussions after the hand-over ceremony, Professor Souli Nanthavong, minister of science and technology, and Dr Helmut Arndt, ambassador of the FRG to Laos, viewed that the presented materials could provide the Ministry's Document and Information Centre with more references and data to the Lao technicians in their study for the country's economic and social development.

They also held that in the current conditions there have been possibilities to expand cooperation in technology, science and others between the two countries in the common interest of their peoples.

Philippines

Aquino Announces Cabinet Reorganization

HK3112040089 Quezon City Radyo ng Bayan in Tagalog 0315 GMT 31 Dec 89

[Speech by President Corazon C. Aquino announcing cabinet revamp from Kalayaan Hall, Malacanang Palace; live in English—broadcast in progress]

[Text] ...talked it over. I asked her to serve in the DAR [Department of Agrarian Reform] and she agreed to do so after the end of this year. On behalf of the Filipino people, let me express my profound gratitude to these distinguished individuals and I salute them.

Secondly, I call on all the other secretaries, assistant secretaries [cut in transmission] who presented their resignations. Finally—this is what you have been waiting for—these are the changes in the cabinet:

Franklin M. Drilon, secretary of justice; Senen C. Bacani, secretary of agriculture; Isidro T. Carino, secretary of education, culture, and sports; Oscar M. Orbos, secretary of transportation and communications; Tomas Gomez III, press secretary; Adolfo S. Azcuna, presidential spokesman and chief presidential legal counsel with the rank of cabinet secretary; Florencio Abad, secretary of agrarian reform; Jesus C. Estanislao, secretary of finance; Cayetano Paderanga Jr, acting director general, NEDA [National Economic and Development Authority] and acting secretary of social economic planning; Dionisio de la Serna, acting secretary of labor and employment.

Furthermore, I am appointing the following: Jose L. Cuisia Jr, Central Bank governor, effective January 20, 1990 after the end of the term of Governor Fernandez. Sedfrey A. Ordonez, chief of mission Class I, Department of Foreign Affairs and Philippine permanent representative to the United Nations. Major General Mariano Adalem, retired, presidential assistant, office of the presidential consultant on military affairs. I am also designating General Adalem as officer in charge of the National Intelligence Coordinating Agency.

Pursuant to Executive Order No 388, dated December 30, 1989, the function of presidential spokesman has been separated from the other functions of the press secretary and placed with the presidential legal counsel.

I am also preparing an issuance that will create a system of presidential executive coordinators within the office of the president. It will be chaired by Secretary Catalino Macaraig Jr, who shall also be the presidential executive coordinator for political and security affairs. The other members will be: Secretary Vicente Jayme, who has

resigned as secretary of finance. He will be the presidential executive coordinator for economic and financial affairs, and Secretary Jose de Jesus, who will resign as cabinet secretary. Secretary Jose de Jesus will be the presidential executive coordinator for resources and public welfare affairs.

These presidential executive coordinators [break in transmission].

The thrust of these changes is the need always to adjust to new situations, to assure not only continuous, but more importantly, improve delivery of service by government to our people. I therefore thank and welcome these new appointees in the face of all the challenges and opportunities that their appointment entails.

And to our people, I renew our pledge to serve you, seeking neither fame nor fortune, fearing neither death nor hardships, but dedicating ourselves totally for your welfare and the common good.

I shall now leave my new spokesman to be answering your questions. Thank you.

Spokesman Clarifies Shuffle

HK3112054489 Quezon City Radyo ng Bayan in Tagalog 0320 GMT 31 Dec 89

[News conference by presidential spokesman Adolfo Azcuna at the Kalayaan Hall of Malacanang Palace; live in English—broadcast in progress]

[Text] [Azcuna] ...but as a whole, to have a cabinet team that will be able to deal with new situation and deliver more effective public service.

[Reporter] But the problem is the defense establishment. [Azcuna] [Words indistinct] to address the whole situation.

[Reporter] Will there be changes in the Defense Department?

[Azcuna] The changes have been announced, so the defense secretary has been retained [as heard]. Any other questions?

[Reporter] The revamp came after the coup attempt. So, is this not an acknowledgement that some of the demands of the coup plotters are valid?

[Azcuna] The changes that have been made in the cabinet as outlined in today's announcement may be considered as having been triggered not so much by the coup attempt, but perhaps by the same reasons that precipitated the coup attempt. So, it is not...it is something that you might say is parallel, not because of the coup attempt, but the coup attempt perhaps was generated partly by the same reasons to which this revamp responds.

[Reporter] Do you care to say what these reasons are?

[Azcuna] The need to basically improve the ability and capability of the government to serve our people, especially in the frontline areas of delivery of services.

[Reporter] There were a lot of commentaries in the press saying that the cabinet revamp will be just a matter of playing musical chairs. What do you have to say about that?

[Azcuna] Well, I think that is not the perception of others that has been expressed in some quarters. Obviously, the president feels that Secretary Macaraig has handled the situation very well and retained him. And what is perhaps needed is a system whereby the office of the president will receive further assistance in coordinating the operations of the Defense Department. That is why, the presidential executive coordinator system is being studied under the office of the president.

[Reporter] Did you volunteer to step down as press secretary?

[Azcuna] In fact, this was one of the reasons I was put in the press secretary's office—to study possible changes the press secretary's office should have under the power of the president to reorganize....I mentioned this in respect to the function of my office...changes that should take place when the administrative code takes effect, and this is the result of that study. The spokesman should be separated from the press secretary.

[Reporter] In relation to that question—the separation of functions between the press secretary and the presidential spokesman—will this system not be unwieldy? Will this not cut the access of the press secretary to the palace guesthouse?

[Azcuna] No, it will not. It will, on the other hand, streamline the operations of the two so that you have a person who can speak for the president and who does not have to disseminate what she says himself. Also, there is a distinction between news generation and news dissemination, and that was a basic ploy, I think, on the part...

[Reporter] Do you know why General Canieso was removed?

[Azcuna] The action was part of the overall rationale of acknowledging good performance on the parts of the incumbents who are leaving, as well as realizing at the same time that some new appointees may be better able to adjust to the new situation.

So, without casting stigma on those who have been replaced, the president clearly pointed out that she is appreciative of those appointees who are being replaced, and she retains her highest esteem for them, as well as for their service and distinction.

[Reporter] May we know why assistant secretaries and undersecretaries must also tender their resignations?

[Azcuna] This is to allow all the departments to carry out the needed changes and reforms that are perceived to be needed at this time.

[Reporter] What will happen to the constituents of the congressmen you have pulled out of Congress to be placed in the cabinet?

[Azcuna] In the case of the congressmen, they will be left unrepresented, unfortunately, unless special elections

are called for their districts...in the same way as Secretary Santos, for instance, left his constituency. Unless special elections are called, then they will remain unrepresented. This is the drawback in getting secretaries from the legislative branch, particularly from the lower house, where members represent specific districts.

[Reporter] [Words indistinct] government's replacement of Jobo Fernandez?

[Azcuna] It still remains to be seen. The debt negotiating strategy is basically the function of the Foreign Debt Council, and the Foreign Debt Council, as you know, is represented by members from the executive as well as from the legislative branch. They continue to formulate recommendations that are given to the president for an effective and responsive debt negotiations strategy that will not only honor our international commitments, but also take into account the difficult plights of our people today.

[Reporter] The president did not say anything about the Presidential Commission on Good Government.

[Azcuna] Yes, the Presidential Commission on Good Government is really below cabinet rank; this will probably be announced subsequently.

[Reporter] Will there also be changes also in the panel of the exploratory talks?

[Azcuna] This was not contemplated, except possibly in the case of Caday; I think he will be changed.

[Reporter] We also noted that there are new posts and new appointees separating the secretaries and the office of the president. How will this compound...? There are new posts and new appointees separating the ...

[Azcuna] The presidential executive coordinator system is under study right now. The president says she will be preparing a directive to put this into effect. The concept here is that of three presidential executive coordinators to be headed by the executive secretary. Their functions will essentially be to coordinate specific departments under categories of political, economic, and resource matters.

[Reporter] [Words indistinct] because this is one of the major demands of the rebels.

[Azcuna] With respect to the military, the president, of course, continues, as commander in chief, to have the right to change the commands. Right now, none has been announced, and we can presume that the president keeps this under consideration. She does have the prerogative to change the commands from time to time when the need arises.

[Reporter] Why is the military and defense establishment untouchable?

[Azcuna] They are not untouchable. We announced the changes today in the cabinet and, as I said, the defense secretary is retained under these announcements. It does not mean that they are untouchable just because they are retained.

[Reporter] Mr Secretary, the expressed leadership in members of the cabinet...does this mean that we can expect better things to happen in the decade of the 1990s, especially in the last 2 years of the term of the president?

[Azcuna] Yes, that is the whole rationale of this change. You don't change just to maintain the status quo or to expect a deterioration of service. This is precisely to improve government service to our people.

[Reporter] How did the president come up with the decisions in view of the reports of intense lobbying by power blocs within the government itself?

[Azcuna] Decisions on what?

[Reporter] The decision today on the cabinet appointees.

[Azcuna] How did she arrive at this decision today? Well, the dynamics upon which the system is based is what took place. There were consultations, but in the final analysis, it is really the president, acting as president, who made the decisions. You know, the executive power under our system rests in the president of the Philippines, not in the cabinet, but with the president. It is she alone upon whom the Constitution invests executive power.

[Reporter] How would you describe the new cabinet team?

[Azcuna] The new cabinet team is mixture of new faces, incumbents. I think it is a readjustment to a changed situation, so that government will be better able to respond to the need—especially as we enter a new decade—to have faster and better delivery of service to our people. Therefore, this should be an action team. The time for action is long overdue, and, as a result, delivery will be the key factor. It is expected that this cabinet will do that.

[Reporter] Is this a one-shot revamp, or can we expect changes in coming months?

[Azcuna] This power of the president to change her cabinet, as she has often indicated, is a continuing power the president always has, whether or not you have courtesy resignations. It is always the inherent power of the president to change her cabinet, so we cannot take away that prerogative from her and say there will no more changes. But, on the other hand, this is—whether you regard it major or not—quite an extensive change, and I expect the president will probably give this team a chance to work before again disturbing the composition.

[Reporter] Will you clarify the appointment of Brigadier General Adalem?

[Azcuna] Major General Mariano Adalem has been appointed the presidential assistant for military affairs to replace General Magno. He was also designated as officer in charge of the National Intelligence Coordinating Agency to replace Canieso.

[Reporter] Sir, what were the criteria used by the president in selecting her new cabinet members?

[Azcuna] National interests.

[Reporter] That is all?

[Azcuna] That is all.

[Reporter] [Passage indistinct]

[Azcuna] Canieso's resignation was accepted. He did not have to go, but he went.

[Reporter] [Passage indistinct]

[Azcuna] Partly, partly. The total picture must be taken into account: track records, performance in the past, prospects of performance in the future as well.

[Reporter] [Passage indistinct]

[Azcuna] No, there has been no such arrangements.

[Reporter] [Passage indistinct]

[Azcuna] Again, as I said, replacements are not stigmatic in nature—rather, I myself have been replaced—they are indications that the president is ready to try to change personnel where she feels a change will contribute to an improvement in public service. Not because we have not done well, but because perhaps someone can even do better.

[Reporter] [Passage indistinct]

[Azcuna] Yes, the president intends to choose a permanent one in the near future.

[Reporter] Can the president appoint undersecretaries to fill the vacancies? She is in the last 2 years of her term. [Passage indistinct] and she needs men who will not need too much spirit of adjustment, so why can't she appoint the undersecretaries? At the same time, this would impress upon all that she does not make appointments based on political partisanship.

[Azcuna] This is again a prerogative. In the past, she has done this. She has promoted some undersecretaries to cabinet level and, sometimes, what she does is appoint them first in an acting capacity. If she is then satisfied with their performance, she then extends a permanent appointment to them.

[Reporter] Will this be possible in the case of this acting...for instance?

[Azcuna] She has done this. It is not something that she has not done yet.

[Reporter] [Passage indistinct] Do you expect that the president will get the cooperation she needs from both houses of Congress?

[Azcuna] Well, your question reflects an incorrect premise of a very bad relationship between the executive and the legislative branches. In fact, it is not so. Whether or not this dynamic interaction between the executive and legislative branches contains a certain amount of criticism, in many case, the interaction is very positive. We do expect relationship our relationship with Congress to improve over time, not simply because some members of Congress have been taken into the cabinet, but because of the fact that there is really a need to join hands, especially in the homestretch now—we are not

just on the halfway mark, but nearer to the home-stretch—for this administration to have to deliver on its promise to our people. Next question, please.

[Reporter] Sir, with the appointment of Congressmen Abad and Orbos, there are now four former members of Congress, including Manglapus and Santos, in the cabinet. Does this mean that the president is trying to politicize her cabinet so that Malacanang and Congress can have smoother relations?

[Azcuna] Part of that, I feel, is to balance the composition of the cabinet.

[Reporter] Did the president have a hard time convincing the private sector? That is why she resorted to members of Congress...?

[Azcuna] It is always hard to convince anybody to join government.

[Reporter] Is this also an indication that the president is preparing for the 1990 elections?

[Azcuna] No, it is not. Okay, thank you.

National Leaders Approve

*HK0101054090 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT 1 Jan 90*

[Text] The appointments of new members to the cabinet and other top government positions yesterday won the approval of the national leaders, although teacher and labor groups expressed reservations about the revamp. Senate President Jovito Salonga expressed confidence that with the revamp, the government can concentrate on solving pressing national problems. Salonga said the Liberal Party, of which he is president, will continue to support President Aquino's efforts to secure constitutional democracy, [words indistinct] economic and moral detriment of the nation, rooting out graft and corruption in government, and strengthening of peace, [word indistinct], and civility throughout the land.

Speaker Ramon Mitra said he was gratified that two more of the finest congressmen were asked to join the cabinet. He said the appointment of Representative Oscar Orbos as transportation secretary and Representative Florencio Abad as agrarian reform secretary would help the executive branch address the people's needs.

President Aquino Delivers New Year's Message

*HK0101035090 Quezon City Radyo ng Bayan
in Tagalog 1300 GMT 31 Dec 89*

[Philippine President Corazon Aquino's New Year message from the "Ask the President" program—live or recorded]

[Text] My beloved countrymen, we bid farewell to the year 1989 with mixed feelings of hope and apprehension. Apprehension because, as the new year begins, we look back and see how close we were to our economic goals. But the fulfillment of our plans suffered a setback when

certain wayward elements of our society made a bloody attempt to seize power from our government.

But our victory this year has made things clearer. Against the grave forces of the enemy we faced, we are continuing to stand up for our democracy. Whatever those who sow trouble may say, we Filipinos, after surmounting all the trials of the past year, have emerged to face an even stronger test.

What is most important now is for us to turn our sights toward the future. Born with each new year is a new hope, and our hopes have been strengthened by our experiences in 1989. After we have surmounted those problems, I think that with a genuine unity between the people and the government, we can face any tests in 1990, because we will be strong enough to face them. As we did in 1989, we will triumph once again in 1990.

During the coming year, our government will continue to address our people's most urgent needs. I realize that on each eve of each new year, what is uppermost in our minds is the question: What improvements in our livelihood can we expect for the new year? Once this has been spelled out, we can address the issues of prices of prime commodities, the cost of house rentals, our livelihood programs, water and electric supply, and traffic in our streets.

As your president, I can assure you that our government will tackle the problems I have enumerated. With regard to prices of commodities, you may have read in the newspapers that I have approved the extension of price controls for basic commodities, specially for rice, as of January 1990. I have ordered the strict enforcement of this law so that you will all be protected from unscrupulous elements. So that the supply of food can continue to be sold at prices within reach of our people, our Department of Trade is deploying what are called food caravans. These carry food products from the provinces to be sold in Metro Manila. By means of these food caravans, we will be able to lower food prices and ensure that the produce arrives in our cities.

Another of our plans for the new year involves livelihood projects. A report from our National Economic and Development Authority says the recent coup attempt has gravely affected next year's unemployment rate. This is avoidable. The economy of a country rests on its domestic stability. So long as there are persons in our midsts who sow trouble, this will continue to affect our people's livelihoods, but we can face this eventuality.

During this past week, I have met with officials of the Bankers Association of the Philippines, who have expressed their support for our government. They have pledged to keep bank interests down for the benefit of our businessmen. This means that our businessmen will be able to keep their enterprises going and growing, and their manpower needs will provide additional employment opportunities for our people.

Our Department of Labor is carrying out an Integrated National Livelihood Program, whose aim is to provide an additional one million jobs. Such a program will benefit some 82,260 people, while 387,000 are projected to take jobs abroad.

The National Housing Authority and the Public Estate Authority are constructing houses for our less fortunate countrymen. In the coming year, construction will begin in Tondo, in the Coastal Road area, and in other provinces. Furthermore, our Unified Housing Loan Program will enable people to rent decent homes. Such a scheme will allow them to make payments during a 25-year period at low interest rates, ranging from 6-9 percent.

Now, for our water and electric supplies. The Department of Public Works and Highways reports that we have an adequate supply of water until 1990. This adequate water supply depends on the arrival of the rainy season in the middle of the coming year. We hope that El Nino does not recur. This phenomenon, which affects our country every 4 years, means we experience a drought. This is beyond our control, but we are preparing for this by means of various long-term projects. These include the Angat Dam optimization project, which aims to increase the water supply throughout the country, but this is a long-term plan. The initial solution is in the hands of those who consume water. Conservation is of the utmost importance.

Similarly, we have just enough in our power to ensure that brownouts will not be extensive. Our aim is to have an extensive reserve power supply, so that what happened during the past few months does not recur. In my view, we will be able to accomplish this and be assured of a proper power supply until April 1990. I am told that three power plants are now back in operation. These are the plants in Calaca, Batangas; the Sucat 3 plant, and the Malaya 1 plant. Our reserve electricity has now been increased to 200 megawatts. Formerly, we were operating with less than 50 megawatts. So, the renewed operation of these three plants signals a fine development.

Our people in Cebu, at present, also have a power shortage. This was caused by lightning hitting a 55-megawatt electric plant in that province. Before the middle of 1990, two (?brass) turbine generators with a 27.5 megawatt capacity will be installed to boost Cebu's electrical needs. As we have said, in order to have a stable power supply, the cooperation of consumers is needed. The intelligent use of electricity and the occasional sacrifice of not using some electrical appliances at home—like air-conditioners during peak electricity consumption periods—can be a big help.

Finally, as far as the traffic situation here in Manila is concerned, we intend to reduce the problems faced by our commuters during the coming year. Some parts of the (?Metroplex) system by our Department of Transportation and Communications are in the works. Additional

buses are also scheduled to arrive. Our Metro Manila Transit Corporation is also operating extra buses. Our roads are being widened and the development of circumferential roads is continuing. One main project will involve the widening of EDSA [Epifanio de los Santos Avenue] during the coming year. In this way we will be addressing all those problems to ensure an orderly traffic situation, by means of the Traffic (?Engineering, Entrenchment) and Education Program. This program is called Project EDSA, and will be supported by the private sector. We note that one solution to our traffic problems is to appoint persons who will report to the president. Therefore, I plan to appoint two presidential action officers—one for traffic, and another for transportation. The first will ensure that vehicles and road systems are in order; the second will take charge of transportation needs, including those for vehicles and roads.

As in the matter of water and electricity, our people will also be the key to the success of our traffic and transportation programs. A united effort in obeying traffic regulations is badly needed for the success of this program, because nothing will improve if our drivers and pedestrians do not cooperate.

As the new year dawns, two things should be among our priorities: first, confidence in our ability to face the future; second, to have trust in ourselves and in our neighbor. By means of this trust—which breeds cooperation—1990 can be beautiful for us. I can assure you of the trust you can place in our government during the coming year. I firmly believe that each of us will play his role so that our country will accomplish its aims in the coming year. I will pray to the Lord that each of us will have a year full of prosperity and peace. Happy New Year to you all.

De Villa Briefs Media on State of Nation

*HK3112030489 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 30 Dec 89*

[News conference by General Renato de Villa, Armed Forces of the Philippines chief of staff, at Camp Aguinaldo; broadcast live in progress—slantlines denote passages in English]

[Text] [Bing Formento of DZRH] Good afternoon. General Renato de Villa, Armed Forces chief of staff, is presently making some important statements on the state of the nation as the year comes to an end. He is asked to describe his disappointments this year. He cites the recent coup attempt in the country.

[De Villa in progress] .../giving the CPP-NPA [Communist Party of the Philippines-New People's Army] the opportunity to bounce back, so to speak, in terms of their initiative against us. It is sad, because if not for the coup, we would have had a much better year-ended counterinsurgency report. On the other hand, it is also sad because of the fact that, I think, on the economic side, it has posed a disaster, and it will affect all of us, especially the

poor and those who are looking for jobs and those who are hard put in getting jobs. And many of them have lost their opportunities, and the cessation or the dropping of the already favorable economic situation will have its impact on the insurgency problem all over again. And the coup—the cause of the coup in Philippine society has not yet been fully assembled and written, but when it shall have been fully assessed and written about, I think we will see that it has been a terrible setback. It has caused a terrible setback in our political stability, in our economic recovery program, and even in our counterinsurgency program. And this is really a cause of sadness for us who are holding responsible positions in government, and, I think, for our society in general./

[Reporter] /General, those were the bad points. What are the high points, sir?/

[De Villa] /I think the high points can be summed up, more or less, in this way: We have proven that the Armed Forces can be depended upon to defend our freedom, our Constitution, our democracy, even if a fragment of the Armed Forces became the lawless elements. No 2, I think it has proven that the Filipino people showed very clearly what they want. And I think there is condemnation everywhere in our society with respect to what the coup plotters have done. And thirdly, I think it has proven that we can rise as a people to the occasion and deal with our problems. And finally, there are many, many human interest stories that show the good side of the Filipino people. I was told, for instance, of one hospital wherein soldiers were being brought there. They did not mind whether these are rebel or government soldiers, but the most important thing that happened there is that when there was a need for blood and volunteers were asked, the people around did not hesitate, and instantly, there were more than 200 of them registering for bloodtyping and volunteering their blood to whoever needs it at a moment of crisis. We are very, very much elated, and we are indeed very happy to know that when we went out and stood our ground to defend our Constitution, our civilians manifested in various ways that they want to help us. They sent us food. They sent us T-shirts. They sent us all kinds of things. And it was very, very heartening to know that we are fighting for people who care./

[Formento] Sir, we wish to clarify reports that Camp Aguinaldo will be attacked and that two battalions were sent in to the camp. Can our intelligence men gather such reports immediately and enlighten our people?

[De Villa] Bing, there are so many reports going around, and our assessment is that some of them are /deliberate disinformation. And some of them are rumors passed on mouth to mouth or person to person, and it becomes big as it goes along./ All I can say is this: We did receive many such reports, such as there is a threat, there is another coup, there is another movement, etc. However, we always investigate such reports, and the result is that /most of these are rumors and speculations which do not

have basis in fact./ I hope that our people will understand that most of these, if not all of them, are merely rumors and speculations.

We will tell the people the truth. If there is any danger, we will inform them and not hide the truth, so that they can make preparations. However, I can tell you now that based on our investigations of incoming information, we found that they have no basis at all. A report circulated last night that Camp Crame will be raided. Of course, we have to take precautions, but we do not place legitimacy on any such reports, because we do not see any basis for such reports. We did not bring in two battalions. They have been here since 1 December. They are under the command of General Abella, and have not been released because they will be deployed to protect the people of Metro Manila for the coming year. /We did not move a single unit to Manila since the end of the coup./ We even reduced the troops, because the NPA has been attacking some insurgency affected areas. Hence, we had to return some of the battalions to their base areas because of NPA attacks. So, there is no truth to reports that we brought in two battalions. They belong to General Abella. However, we are still on red alert because it is necessary.

[Formento] [Passage indistinct]

[De Villa] We have received a similar report, but following our investigation, we found out that /there is no basis in fact./ He was reportedly in Davao, in Zamboanga, and in Mactan. Well, I hope our people will not believe in these stories lightly, because we will tell them if they are true or not.

However, I must say that the reaction of our people has been very good, because they inform us of their observations. This is a welcome result of the recent events, as our people are extending a great service to us.

[Reporter] [Passage indistinct]

[Formento] The question raised by Butch Fernandez concerns the recent survey by Ateneo, which claimed that Secretary Ramos...

[De Villa] I do not know how the survey was conducted, but if that is the decision of the people, we will have to accept that decision. You cannot change the facts, because that would be lying. General Biazon has done a lot for the nation in recent days. He was almost killed at the grandstand. /He deserves the accolade of our nation for what he has done as ground commander of all Metro Manila forces that defended the government, our Constitution, and the Armed Forces./

[Formento] He reiterates a warning to soldiers against firing their guns on New Year's Eve.

[DZRH anchorman Joe Taruc] Maybe you can ask him about the CPP plenum which took place yesterday.

[Formento] He did mention it. The question now concerns the president's decision....

[De Villa in progress] /...she will make the decision when the time comes. I would like to remind everyone that as

commander in chief, she has the prerogative, complete and total prerogative, to appoint her chief of staff for the AFP [Armed Forces of the Philippines]. As for me, my 3-year term ends in January 1991, but as I have said many times, the position of the chief of staff rests on the confidence of the commander in chief on the person. And therefore, I and all of us who have gone through this position and all of those who will go through this position must ever be ready to step down if the president wishes so—at any time. Even if you have served for only 2 days. If the president says: You step down, because I have someone else, he should be ready—whoever is the chief of staff should be ready. And he should step down without hesitation, if he is a military professional.

[Reporter] [Passage indistinct]

[De Villa] /If I will decide not to finish my term, I think the president should be the first one to know./

[Reporter] /Sir, when will the revamp begin?/

[De Villa] /Well, we will begin this in January, and it will go all the way up to April, when the whole of the class of '58 will retire compulsorily./

[Reporter] /How many positions, sir?/

[De Villa] Quite a lot, because all the major service commanders will have to go, and, you know if they go, a chain reaction ensues. For instance, the first to go this January will be /General Francisco of the Air Force, General Kintanar of ISAFP [Intelligence Service of the AFP], and I cannot remember... one other officer./

[Reporter] How many generals, sir?

[De Villa] There will be no less than 20 generals to retire during this period.

[Reporter] /The special investigation committee was supposed to submit recommendations on the 15 coup leaders. Have you received their recommendations? Have you ordered the pretrial of these officers?/

[De Villa] /I do not know what gave you the idea that they were supposed to submit yesterday, but I have hurried them enough. I have been breathing down their necks every day, and I think we can have the trial in the early part of January. We have to have a pretrial investigation first, which is the equivalent of the civil court's preliminary investigation. The procedure is as follows: First, there is the custodian investigation. If there are charges to be filed, this will be forwarded to the judge advocate general who will then form a panel to carry out a pretrial investigation. After a probable cause has been established, the pretrial investigation results will be referred to a court martial, then the trial begins./

[Reporter] /Sir, do you have a New Year's message to all?/

[De Villa] /I wish everybody a happy and a peaceful New Year./

[Reporter] /Other than a cliché, do you have any other?/

[De Villa] /And I sincerely hope that the new year will find us as a people cooperating more with each other and working more toward a better Philippines, the greater

good of the greatest number; and I hope that we will find the capacity to endure self-sacrifice, especially on the part of those who have the better things in life, and especially on the part of those who are in a responsible position in government, if only to prove our sincerity to our people, that we want our country to progress—politically, economically, and socially./

Okay? Thank you very much to all.

[Formento] Sir, we are live on DZRH. You will have a chance to air your warning to all soldiers against firing their guns on New Year's Eve. Also, did you receive a report about the CPP plenum yesterday?

[De Villa] I do not know if a report on the plenum is ready or not, but for now, I have not received anything from J-2 or chief of the Intelligence Service of the AFP. But if it took place, I am sure we will have a report. Second, like I said: /We will have to be very strict with everyone in the enforcement of the law and in the enforcement of regulations with respect to indiscriminate firing this coming new year or tomorrow night specifically, because we do not want any further disturbance to occur in our communities at this time./

[Formento] Joe, here is your chance to interview the general.

[Taruc] Good afternoon, General.

[De Villa] Good afternoon, Joe.

[Taruc] Sir, you know that at this time, our people are concerned over many reports of trouble. What can you say to them?

[De Villa] Joe, you know, like you, we have received all sorts of reports about threats and scenarios, more coups, more violence, etc. But please let our people know that the entire Armed Forces and police force are still on red alert in order to defend our peace and order. Second, I would like to ask our people not to believe rumors readily, because some are deliberately spread by those with evil intentions. At this time, based on our investigation, these reports are groundless. And, except for attacks and raids by the CPP-NPA on our countryside detachments, the country is calm in general, and there are no uprisings nor any attempts at the moment.

[Taruc] General, at the moment, there are two threats, specifically from the leftists and from the rebel soldiers. Which one is more serious and feared by your organization?

[De Villa] Joe, most of the rebel soldiers are accounted for. About 90 percent of the rebel soldiers or coup participants have been accounted for, with very few remaining at large. The Philippine Army still has 100 unaccounted for. The other units have detained all suspects. However, we would like the nation to know that the core groups formed by ex-Captain Turingan, Colonel Honasan, and Colonel Batac are still at large. We have not found them, but we are trying hard.

[Taruc] Sir, how big an impact did the recent coup attempt have on the counterinsurgency drive?

[De Villa] Joe, we have not completed our assessment and year-end report, but since 1 December to the present, the CPP-NPA elements have stepped up their attacks in the countryside, mostly in Southern Luzon and Cagayan Valley. Their operations in other areas remain normal.

[Taruc] General, someone from Cagayan called up about General Aguinaldo.

[De Villa] Our latest information says that Governor Aguinaldo is still in office and he has not moved from his position. He is not rounding up men to launch any violent acts. Yesterday, he reported to me that he is still in office and everything is normal in Cagayan Province.

[Taruc] Based on your explanation, our people may celebrate the new year in peace.

[De Villa] That is our wish, which is why we are still on red alert. You will probably notice more checkpoints, more patrols. We are doing all this for our people's sake. If possible, please help us in the campaign against discriminate firing of guns at 12 midnight. We are asking the cooperation of all gun owners, especially civilians, to desist from doing so, because it disturbs our peace and frightens our people. Let us not add to the worries of our people.

[Taruc] General, many thanks and a peaceful New Year to you.

[De Villa] Thank you, and I hope we keep in constant touch.

[Formento] That was General Renato de Villa, AFP chief of staff.

Government Willing To Receive Palestine Envoy

*HK0201100590 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 2 Jan 90*

[Report by Rey Arquiza, Mobile Unit 21]

[Text] Foreign Affairs Secretary Raul Manglapus today announced the Philippines is ready to receive the first envoy from the Palestinian state. Manglapus said the country signed an agreement that officially recognized the state of Palestine, entailing the exchange of envoys between the two countries. He added he sees no reason for rejecting an envoy assigned here by the state of Palestine. However, he stressed that the foreign affairs office has no plans to send an ambassador to Palestine. It will be recalled that the permanent Palestine Liberation Organization representative to the United Nations Datsi Sesi [as heard] stated that the countries which officially recognize the state of Palestine can send their own envoys to Tunisia, because Palestine, he said, is still occupied by Israel.

Statement by Rebel Soldiers Threatens Politicians

*HK0101102290 Hong Kong AFP in English 1008 GMT
1 Jan 90*

[Text] Manila, Jan 1 (AFP)—A statement issued Monday in the name of renegade soldiers who staged the recent coup attempt against President Corazon Aquino's government has called for the elimination of traditional politicians, multinational corporations and rapacious businessmen. The statement said that alleged intervention by Washington in this one-time U.S. colony must be removed "like a decaying tooth," but reiterated previous assertions that the rebels have not targetted American citizens or installations.

"The rotten traditional politicians, the cupidity of multinational corporations, the rapaciousness of our businessmen, all these social cancers must be eliminated," the statement, sent to news organizations here, read. It did not identify specific politicians, multinationals or businessmen, but repeated prior threats to attack businessmen close to the government, including Mrs. Aquino's relatives, if there were "continued harassment of our civilian supporters." The statement was issued in the name of the Reform the Armed Forces Movement-Soldiers of the Filipino People, which staged a coup attempt early December that claimed 119 lives, injured over 500 people and threatened to topple the Aquino government. The putsch effort was quashed after U.S. jets overflew the mutineers' positions and loyal soldiers pushed the rebellious forces back.

The rebels claimed in the statement to have the capability of mounting another "massive attack in the very near future." They added: "We do not ask them (the Americans) to be our enemies. It will be the United States Government's responsibility if it chooses to trample upon our sovereignty."

"We are not terrorists," the statement read in denying responsibility for a series of bombings in public places here last month that took two lives.

Coup Charges Filed Against Two Former Generals

*HK2712114589 Manila Radio Veritas in Tagalog
0900 GMT 27 Dec 89*

[By Ray Mariano from the Department of Justice]

[Text] Former Brigadier Generals Felix Brawner and Jaime Echeverria were charged with rebellion for their alleged involvement in the recent coup attempt. The charges were filed before the office of Rizal provincial prosecutor Mauro Castrol by Rizal assistant prosecutor Dennis Villa Ignacio, following a careful study of evidence implicating the former generals in the coup.

Prosecutor Dennis Villa Ignacio said the two former generals who served the past regime under Marcos faithfully were given 10 days to answer the charges against them before the office of the Rizal provincial

prosecutor. The office is expected to issue a subpoena demanding the presence of the accused at a preliminary investigation hearing on 5 January next year.

Browner was former commander of the Regional Unified Command 5 under former Armed Forces Chief of Staff Fabian Ver. Echeverria is presently facing charges for violation of the Antigrift and Corrupt Practices Act.

Escaped Leader Rejoins Communist Movement

HK010104-90 Baguio City Mountain Province
Broadcast Company in English 0330 GMT 1 Jan 90

[Text] Ranking communist leader Wilma Tiamzon has confirmed her escape from the Camp Crame stockade December 25 and announced she has rejoined the communist underground movement. In a press statement issued December 26, but received by newspaper offices only yesterday, Tiamzon, wife of Communist Party of the Philippines Party [CPP] chairman Benito Tiamzon, also said the recent coup attempt has created a favorable condition for the communist insurgency. [Words indistinct] in the communist movement [words indistinct] were both jailed. Tiamzon, 37, was believed to be a member of the CPP Politburo, who was arrested October 4 in San Juan with six members of her staff. The military has offered a 1 million-peso reward for her capture.

Two Top NPA Leaders Killed in Pampanga Clash

HK2912114889 Quezon City GMA 7 Radio Television
Arts Network in Tagalog 1030 GMT 29 Dec 89

[From the "GMA News" program]

[Text] Two New People's Army [NPA] rebels, including one district commander, were killed in a clash with Magalang, Pampanga police forces last night. According to Angeles Metrodiscom [Metropolitan District Command] commander Lieutenant Colonel Julius Garcia, the Magalang police station commander was wounded in the clash. The slain NPA rebels were identified as Manuel Naguid alias Comrade Gilbert, liaison officer of the NPA provincial command, and Oscar Salvador alias Comrade Carding, head of the NPA second district.

The firefight broke out when the police spotted the rebels on board a jeepney.

Thailand

Politicians Discuss Replacement of Phichai

Marut Declares Readiness

BK2912143589 Bangkok THE NATION in English
29 Dec 89 pp 1, 2

[Excerpt] Despite Deputy Premier Phichai Rattakun's resignation on Wednesday [27 December] Prime Minister Chatchai Chunhawan said yesterday the Democrat Party would not withdraw from the coalition government.

Key Democrats, meanwhile, said they will support Phichai's nomination of Marut Bunnak, a deputy Democrat leader, to replace him as deputy prime minister.

Marut told THE NATION last night that senior Democrats had asked him to succeed Phichai as deputy premier and that as a politician he was ready to take the challenge.

Chuan Likphai, the seniormost deputy Democrat leader, told reporters he preferred to remain public health minister because he was "still young". Chuan, 51, is a seven-time MP [member of Parliament], while Marut, 65, has been elected four times. However, Chuan said the decision must rest with the Democrat executives and MPs who will meet today to discuss the nomination.

None of the Democrats opposed Phichai's wish to remain party leader for another year. Some of them, including deputy leader Prachuap Chaityasan, deputy leader Banyat Banthathan and deputy spokesman Chulin Laksanawisit, stressed that Phichai would be devoting himself to party affairs until the end of next year. The Democrats are scheduled to elect a new leadership on Jan 10, next year.

All the Democrats speaking to the press yesterday sought to downplay the political implications of Phichai's resignation and said they wanted the party to remain part of the coalition. Most said it was Phichai and Chatchai's wish to keep the Democrat Party in the coalition "to sustain the democratic government".

Chatchai said that he received Phichai's resignation yesterday and was not in a position to reject it since it automatically took effect with the Democrat leader's announcement of his decision to quit.

Chatchai said Phichai cited "personal reasons" for his resignation, which he announced at a news conference in Chiang Mai yesterday morning, and denied that Phichai quit in protest over the appointment of acting Bangkok Governor Thamrong Phattanasat as city clerk earlier this month.

"He has personal reasons. I guess he was tense over some personal issues," the premier said but did not elaborate.

Describing Phichai's departure as "normal," Chatchai said that ministers of any other coalition partner, including Chat Thai, can also be replaced before the government's four-year term expires in 1992.

"Cabinet members can be rotated because four years (the government's term) is not a short time. But that is strictly up to each of the parties themselves," he said.

Backing Chatchai's statement, three key Democrat Cabinet members—Agriculture Minister Maj Gen Sanan Khachonprasat (who is party secretary general), Chuan and Prachuap—said there was no reason for the Democrat party to pull out of the 16-month-old coalition.

Asked about Phichai's call to scrap Thamrong's appointment, Sanan said it was no longer an issue following Thamrong's rejection of his nomination.

Sanan spoke to THE NATION shortly before Thamrong called a news conference to announce his decision to reject the appointment to end the political turmoil. Yet Thamrong denied that his move bore any relation to Phichai's sudden resignation.

Sanan yesterday called many Democrat MPs and ministers to his residence to brief them on the situation and sound out their views on Phichai's replacement in the Cabinet. Among the Democrats who visited Sanan were Deputy Communications Minister Anek Thapsuwan (Samut Songkhram), Thoetphong Chaivanan (Tak), Picha Musikun (Kamphaeng Phet), Mrs Tuanchai Nupura (Udon Thani) and Samon Lo (Songkhla).

According to some Democrats attending the meeting, Sanan said he had not anticipated that the Cabinet debate over Thamrong would lead to Phichai's resignation. Sanan said Phichai left the Cabinet meeting on Wednesday after several ministers, including PM's [Prime Minister's] Office Minister Anuwat Watthana-phongsiri and PM's Office Minister Chaloe Yubam-rung had objected to the Democrat leader's suggestion that Thamrong's appointment be reviewed.

"The secretary general said Premier Chatchai followed Phichai out of the room and was told of his intention to resign. The premier unsuccessfully tried to change Phichai's mind," one Democrat said.

Chatchai later asked Sanan and Prachuap to persuade the Democrat leader not to resign. The two Democrat ministers caught up with Phichai at Don Muang Airport as he was preparing to leave for Chiang Mai but also failed to influence him, according to Sanan.

The Democrat source also quoted Sanan as saying that Phichai asked them to continue supporting the coalition government in a letter to Sanan.

Phichai will return to Bangkok from Chiang Mai after New Year celebrations.

The Democrats said that at the informal meeting at Sanan's residence yesterday, there was a consensus that Marut should be made deputy premier, and not Chuan, as his promotion may lead to a reshuffle of the Democrat ministers.

"Chuan's appointment could be a problem and may upset other coalition partners," a source said. [passage omitted]

Resolution Endorses Chuan

*BK2912124889 Bangkok Domestic Service in Thai
1200 GMT 29 Dec 89*

[Text] Banyat Banthathan, chairman of the Democratic Party's Policy Committee, told newsmen about the outcome of the party's meeting this evening. He said that

participants at today's meeting included members of the party Executive Committee and members of Parliament from the Democrat Party. The meeting addressed whether party leader Phichai Rattakun's resignation as deputy prime minister would cause all the ministers from the party to resign or not. The meeting discussed this issue in depth for a long time. It adopted a resolution that ministers of the party do not have to resign from their posts, because the conflict over the appointment of Bangkok city clerk is over. Moreover, the prime minister has expressed his clear desire to have the Democrat Party remain in the coalition government. The ministers from the party should not follow suit of the party leader who resigned because of personal reasons. In addition, in the recent past, the Democrat Party has made clear achievements in the reforestation program and land reform policy. Therefore, the prime minister wanted the Democrat Party to remain in the government.

Banyat Banthathan reported that the meeting adopted a resolution supporting Chuan Likphai, deputy Democrat Party leader and public health minister, for the post of deputy prime minister. As for the post of public health minister which will be vacant, the meeting agreed to let Marut Bunnak, deputy party leader, assume the post.

Chuan Receives Nomination

*BK3012013689 Bangkok THE NATION in English
30 Dec 89 p 1*

[Text] Deputy Democrat leader Chuan Likphai was last night appointed deputy prime minister in what was seen as a faction victory, paving the way for him to succeed Phichai Rattakun as party leader.

Marut Bunnak, backed for the deputy premiership by current party leader Phichai, was named public health minister, replacing Chuan, in a five-hour meeting of 45 Democrat executives.

Chuan, however, said he preferred to pursue his projects through his public health portfolio. "But, I will respect the decision by the executive committee," he said.

Democrat secretary general Sanan Kachonprasat immediately went to the residence of Prime Minister Chatchai Chunhawan after the meeting at about 6 pm to inform him of the party's nominations.

Expressing delight at the nominations and congratulating both nominees, Chatchai forwarded the appointments to His Majesty the King, who countersigned the order last night. The appointments will be officially announced this morning.

Chatchai also welcomed the Democrat's decision to remain in the coalition government.

"I would like to congratulate Chuan and Marut. Both are qualified because the Democrat Party always nominates capable people. I expect no problems in relations between coalition partners, which will help maintain stability within the government," he said.

He said that government stability should be judged by two indicators—the booming Securities Exchange of Thailand and foreign investment in Thailand. Chatchai seemed slightly annoyed by questions about the government's relations with the military.

"You should not ask. I carry the rank of general, mind you. The government and the military are on good terms, holding regular consultations. Nothing to worry about," he said.

The quick appointment was seen as an effort by the government to clear the air resulting from Phichai's resignation from the Cabinet last Wednesday [27 December] in protest over acting Bangkok Governor Thamrong Phatthanarat's controversial appointment as city clerk. Phichai's surprise resignation sparked nervous speculation that the Democrat Party might withdraw from the coalition to allow Phichai to save face.

However, Democrat sources claimed party executives decided against pulling out after Prime Minister Chatchai told key members that the military had frequently threatened to stage a coup unless the government gave the interior portfolio to acting Supreme Commander Gen Chawalit Yongchaiyut.

"We know our reputation could be tarnished by our decision not to withdraw but we feel it is our obligation to avoid further aggravating the government's stability. We have to preserve democracy," he said.

Prior to the Democrat meeting, Col Pathomphong Kesonsuk, husband of PM's [Prime Minister's] Office Minister Khunying [honorary title] Suphatra Matsadit, told reporters that his wife wrote a letter of resignation on Thursday night, complaining of the criticism against the party's continued affiliation with the coalition government.

Deputy Finance Minister Nipon Phomphan, a northeastern MP also prepared a letter of resignation before the party's meeting, party sources said.

The reports sparked rumours that the Democrat Party might make an about-face by deciding to pull out at the meeting. As it turned out, however, the two Democrat ministers did not submit their resignations.

Democrats interpreted Suphatra's threatened resignation as a way to boost the leverage of her faction of southern MPs in the contest for the deputy premiership between their faction leader Chuan and Marut, supported by Phichai as his heir apparent. Phichai proposed that Marut should fill the Cabinet post when he vacated it.

Banyat Banthaththan, deputy party leader, admitted that the question of withdrawing was discussed at the meeting but it was eventually decided that the issue should not be pursued.

Deputy party spokesman Chulin Laksanawisit said that Suthep Thuaksuban (Surat Thani) and Wirot Na

Bangchang (Samut Sakhon) had proposed sweeping changes to the Democrat Cabinet posts but withdrew the proposal following strong opposition from the others, particularly Prachuap Chaiyasan, leader of the northeastern Democrats.

"Phichai left because of Thamrong's appointment and as the acting Bangkok governor decided against accepting the appointment as city clerk, the matter should be finished," he said.

Prachuap, minister for science, technology and energy, said it was certain that after the end of next year, the party will have a new leader as Phichai made it clear in his letter that he would not continue in the post after the end of 1990.

King Appoints Chuan, Other New Ministers

*BK3012021689 Bangkok Domestic Service in Thai
0000 GMT 30 Dec 89*

[Text] Announcement on resignation and appointment of Cabinet ministers:

Royal signature: Phumiphon Adunyadet, Rex

His Majesty King Phumiphon Adunyadet has graciously given permission to announce that, in connection with the announcement dated 4 August 1988 appointing General Chatchai Chunhawan as prime minister and the announcement dated 9 August 1988 appointing Cabinet ministers, Deputy Prime Minister Phichai Rattakun has now resigned from his post, thus terminating his ministerial status.

In the interest of the administration, His Majesty the King, empowered by Provisions 146 and 156 of the Constitution of the Kingdom of Thailand, accepts the resignation and appoints the following new ministers:

1. Chuan Likphai is removed from the post of public health minister and becomes deputy prime minister;
2. Marut Bunnak becomes public health minister.

This takes effect from this time on.

Announced on 29 December 1989, the 44th year under the reign of the present king.

Countersigned by General Chatchai Chunhawan, prime minister

Japan's Nakayama Arrives in Bangkok 2 Jan

*OW0201113590 Tokyo KYODO in English 1045 GMT
2 Jan 90*

[Text] Bangkok, Jan. 2 KYODO—Japanese Foreign Minister Taro Nakayama arrived here Tuesday on a five-day visit to Thailand and Malaysia for talks on regional affairs, particularly the Cambodian problem and bilateral relations. It is Nakayama's first trip to the

two key member countries of the Association of South-east Asian Nations (ASEAN) since he became foreign minister last August.

While in Bangkok until Thursday, Nakayama is scheduled to meet his Thai counterpart Sitthi Sawetsila and Prime Minister Chatchai Chunhawan. In Kuala Lumpur, Nakayama will meet with Prime Minister Mahathir Mohamed and Foreign Minister Abu Hassan Omar.

Diplomatic sources in Bangkok said the talks are expected to center on the Cambodian conflict, which is seen by ASEAN as a major security threat to the region. As a frontline country, Thailand has been taking the initiative in stepping up efforts to end the 11-year-old conflict on behalf of the regional organization and with the support of Japan and other key Western nations.

Chatchai has proposed another round of peace negotiations involving all four warring Cambodian factions, as fighting is intensifying in the Indochina country.

Nakayama and leaders of Thailand and Malaysia are also expected to discuss Japan's economic relations with the two countries. Japan is both the largest trading partner and investor for the two countries, which are enjoying economic growth rates that are among the highest in the world.

Phong Sarasin Meets PLO Economic Minister

*BK2612143489 Bangkok Domestic Service in Thai
1300 GMT 26 Dec 89*

[Text] At 1130 today, the Palestinian Liberation Organization envoy to Hanoi accompanied Abu-'Ala', the PLO economic minister, to pay a courtesy call on Deputy Prime Minister Phong Sarasin at Government House. The two sides discussed ways to promote good relations between Thailand and the PLO, particularly in trade and investment. The PLO economic minister said he had discussed expansion of trade with the Board of Trade, and that Palestine planned to organize an exhibition of Thai products to launch trade between the two countries. The deputy prime minister expressed support for the exhibition, and added that the two sides should increase exchanges of trade representatives in the effort to exchange and expand trade and economic information.

Thailand, Laos Elect To Release Detainees

Thai Villagers Released

*BK2912153389 Bangkok Domestic Service in Thai
1300 GMT 29 Dec 89*

[Text] Political Department Deputy Director General Wiyasak Futrakun and Major General Amphon Chuthaphutthi, international military and political affairs liaison officer attached to the Foreign Ministry, have reported on the issue concerning the 19 Thai villagers detained by the Lao Government. They said that at 0930

today, Political Department Director General Pracha Khunakasem invited Lao Ambassador to Thailand Khamphan Simmalavong to a meeting.

Pracha informed the Lao ambassador that Foreign Minister Air Chief Marshal Sitthi Sawetsila and Deputy Foreign Minister Second Lieutenant Praphat Limpaphan were concerned for the 19 Thai villagers detained by the Lao Government in Champassak Province. Therefore, the two ministers instructed Pracha to invite the ambassador to a second meeting this week—the first meeting being on 25 December—to ask the ambassador to tell the Lao Government to consider unconditionally releasing the Thai villagers as soon as possible, and to look after the living conditions of the villagers while they are under detention. If the Lao Government released the Thai villagers as soon as possible, it would be beneficial to Thai-Lao relations and the atmosphere for Thai-Lao talks on the border issue to be held from 4 to 6 January 1990. The Thai delegation for the talks will be led by the Thai deputy foreign minister. The Lao ambassador agreed to report this to his government immediately.

Later, Maj Gen Amphon Chuthaphutthi, international military and political affairs liaison officer attached to the Foreign Ministry, received a report from Maj Gen Phisan Chuprawat, chief of the Thai-Lao Border Security Office, that the Lao Government had instructed three officials of the Lao National Defense and Interior Ministries to negotiate this issue at Chong Mek border pass, Champassak Province. It was reported that at 1330, the Lao Government had unconditionally released all 19 Thai villagers.

Lao Soldiers Freed

*BK0201003590 Bangkok THE NATION in English
2 Jan 90 p 2*

[Text] Ubon Ratchathani—Thai authorities have freed three Laotian soldiers who were arrested in this northeastern province recently, provincial officials said yesterday.

The release came after Laotian authorities set free 19 Thais they captured in a border area near Phibun Mangsahan district here on Dec 17.

A Thai delegation, led by the chief of Ubon Ratchathani's Buntharik district, Phaisan Khanthasiri, turned over the three Laotian soldiers to the deputy governor of Laos' Kusuma town, Khamphoui Chommani, on Saturday.

The three Laotians, two of them commissioned officers, are based at Kusuma. They were arrested at Charoen Phatthana village in Buntharik district on Dec 15 for illegal entry, according to provincial officials.

After the arrest, the three were sent to the headquarters of Suranari Task Force in Nakhon Ratchasima province for questioning. Thai authorities agreed to an official Laotian request for the release which was received by Phaisan last week.

Last Friday Laotian authorities released 19 Thai villagers, including a Buddhist monk, whom they had detained for allegedly trespassing the border. Lao officials claimed the Thais encroached into Laos' forests but some Thai officials said Lao troops crossed into the Thai soil to arrest them.

The Laotians first demanded Bt 250,000 in compensation for the alleged illegal entry and forest encroachment but this was rejected by Thai officials.

Armed Forces spokesman Lt Gen Narudon Detpradiyut said last Thursday that the villagers are liable to be arrested for illegal logging once they are back in Thailand because they were caught while cutting trees on the Thai border. Logging has been absolutely banned in Thailand since last January.

Reports from local sources said Lao officials demanded that the Thai authorities free three Lao soldiers they had arrested in exchange for the release of the 19 Thais but a joint statement issued by the Thai Foreign Ministry said the release of the Thais was "unconditional."

Vietnam

U.S. Military Action in Panama Condemned

BK2912134389 Hanoi Domestic Service in Vietnamese
1430 GMT 26 Dec 89

[Text] NHAN DAN today carries a commentary condemning U.S. imperialism and demanding that the United States immediately end its blatant aggression against the Panamanian people.

The commentary says among other things: The invasion of Panama has laid bare the cruel nature of imperialism. It cynically trampled upon the UN Charter and made light of the sacred rights of nations. It is for this reason that public opinion in Latin America and the rest of the world has vehemently condemned this barbarous act of aggression by the U.S. imperialists and has demanded that U.S. troops withdraw immediately and unconditionally from Panama—an independent and sovereign country. On 22 December, the Organization of American States issued a resolution demanding an end to U.S. military intervention in Panama and the withdrawal of U.S. troops. On 23 December, most of the UN Security Council member countries declared their support for a draft resolution condemning the United States and demanding the pullout of U.S. troops from Panama.

The Washington administration has underestimated the Panamanian people's resistance and the world people's strong reaction. The U.S. press has expressed its fear that Panama may turn into a bone stuck in the throat of the aggressors. However, the stubborn U.S. militarist forces continue to persist in their criminal plan. The United States has vetoed the draft resolution of the UN Security Council and has continued to send more expeditionary troops to Panama.

Once again we sternly condemn the U.S. aggression against Panama and resolutely demand that the U.S. expeditionary forces be withdrawn from that country without delay.

Symposium on Effects of U.S. Chemical Warfare

BK2912154189 Hanoi VNA in English 1441 GMT
29 Dec 89

[Text] Hanoi VNA Dec. 29—A symposium on consequences of the U.S. chemical warfare in Vietnam was held here from December 26-28.

The symposium, sponsored by the national commission for investigation into consequences of the toxic chemicals used by the U.S. in the Vietnam war, heard nearly 20 reports on the effects of toxic chemicals, especially dioxin, on the life and ecology in Vietnam. The reports said that during the war in Vietnam, the U.S. used a great deal of toxic chemicals in the forms of defoliants and crop-killers, and that dioxin, also known as Agent Orange, used as weed-killers is highly toxic and leaves lasting and dangerous effects for many years. One of the consequences of dioxin to the ecology in Vietnam is the despoliation of forests and the subsequent soil erosion which, in turn, causes floods in the rainy season and drought in the dry season.

Through the checking of 227 samples of fat tissue taken from those living or working in sprayed areas during the war, the reports said it was found that the level of dioxin in them is ten times that in other areas.

A survey of birth deformities in the provinces of Song Be and Tay Ninh and the obstetrics hospital in Ho Chi Minh City showed that in the past five years, there have been 30 cases of conjoined twins, while the average rate of birth deformities in the world is one per two million, the reports said.

Special attention was focused on research projects aimed at removing the toxic consequences including the detoxification of affected persons, the restoration of the ecosystem of forests, the detection of hepatitis caused by dioxin, etc.

Speaking to the participants, Vice-Chairman of the Council of Ministers Vo Nguyen Giap commended the Vietnamese scientists on their research efforts, the results of which would spur the movement to make the U.S. Government answerable for the consequences of their acts of war in Vietnam. He expressed thanks to the scientists from the Soviet Union, the USA, France, the Federal Republic of Germany, Japan, and international organizations, for their effective assistance to Vietnam in the research on the consequences of dioxin and other toxic chemicals used by the U.S. in the Vietnam war.

Paper Urges Tariff Barrier Against PRC Goods*BK2912123489 Hanoi Domestic Service in Vietnamese
1000 GMT 24 Dec 89*

[From the "Press Review"]

[Text] In its Sunday [24 December] issue, HANOI MOI features on page one an article entitled: "Foreign Goods on the Market" reporting on local goods being pushed out of the market by Chinese-made goods and calling for strict control of imports.

The article says among other things: To be fair, it must be said that the appearance of Chinese goods has goaded Vietnamese producers into changing their production techniques, improving the designs of their products, improving quality, and cutting retail prices to attract customers. However, prices cannot be reduced below their product costs. While goods made by local factories are fully taxed, Chinese goods are brought into Hanoi mainly through illegal channels to avoid tax, thus creating inequality between local and imported goods and, unsurprisingly, enabling Chinese goods to outsell local goods.

We do not advocate a closed-door policy, nor do we have anything against imports. But any country has to think twice before allowing foreign goods into its market. A principle to be upheld in this matter is to protect the legitimate interests of local producers. Foreign goods may be imported in specific quantities to compete with any items that our factories cannot turn out fast enough to meet demand, or any items that their manufacturers refuse to improve despite their hopelessly poor quality or unattractive design, thereby compelling the factories concerned to rethink their policy and change their business practice and creating a healthy stimulus to domestic production. As for those items which we can produce with relatively good quality and which have been exported, we should not allow the import of foreign-made ones even though the local items do not quite match the imports in quality.

To protect local goods and equality in production and business, there should be an adequate tariff barrier against Chinese-made consumer goods, and such a measure must be applied right at the border checkpoints, not farther inland as in a recent case where duty stamps were merely stuck on bottles of Van Luc beer after they had been brought into Hanoi, an action which produced little effect. We must combat the speculation and smuggling of Chinese consumer goods by means of strict control measures and by sternly dealing with major cases of trafficking.

Lang Son Controls PRC Border Travel, Trade*BK2912135289 Hanoi Domestic Service in Vietnamese
1430 GMT 25 Dec 89*

[Text] The financial, trade, customs, public security, armed forces, border guard, and control services of Lang Son have satisfactorily managed the movements of

people and goods across the border with China by closely coordinating their efforts in controlling and supervising the implementation of business registration regulations, managerial procedures of the customs and border guard services, and other specific state regulations at the border area. Thanks to this, the province last month managed to collect more than 170 million dong in back taxes, discovered more than 400 households that had not registered their businesses, and confiscated 7 metric tons of copper, 1 metric ton of nickel, 2 metric tons of lead, 264 kg of tin, and 8 metric tons of rubber.

Nguyen Co Thach on Asia-Pacific, PRC, USSR*BK0101073090 Hanoi VNA in English 0445 GMT
1 Jan 90*

[Text] Hanoi VNA Jan. 1—The economic development is a necessity for Vietnam and other Southeast Asian nations. To this end, Vietnam and ASEAN need peace, stability, friendship and cooperation.

This was stated by Vietnamese Foreign Minister Nguyen Co Thach in his interview on Dec. 30 with TASS.

Asked about the settlement of the Cambodia issue, Nguyen Co Thach stressed that along with the conclusion on two key issues of the Cambodian problem, made at the Jakarta informal meeting (the complete withdrawal of Vietnamese troops and the removal of Pol Pot regime), other factors also contribute to peace and stability in the region. They are the proclamation by Cambodia of permanent neutrality and the Lao proposal to create a zone of peace, freedom and neutrality in Southeast Asia. This meets the interests of all states in the region.

Speaking about Vietnamese-Chinese relations, he said that their normalization would benefit the peoples of the two countries, meet the interests of other socialist countries, and promote peace and stability in the Asia-Pacific region. Senior Chinese officials made it clear during recent meetings with the representatives of third countries that normalization of China's relations with Vietnam depended on the complete and final withdrawal of Vietnamese troops from Cambodia. Vietnam welcomes this position and believes that it has removed all obstacles to the normalization of relations between the two countries.

He welcomed all Soviet initiatives aimed at promoting peace and disarmament in the region and the world over.

USSR Officials Agree on 1990 Meteorology Aid*BK2912151489 Hanoi VNA in English 1440 GMT
29 Dec 89*

[Text] Hanoi VNA Dec. 29—The 11th session of the joint management of the Vietnam-USSR scientific and technical cooperation in tropical meteorology and storms surveys was held here from Dec. 20-28 by the

Vietnam General Department of Meteorology and Hydrology and the Soviet State Committee for Hydrometeorology.

The Vietnamese delegation to the session was led by Nguyen Van Quy deputy head of the general department; and the Soviet delegation, by V.M. Zakharov, vice-chairman of the state committee; both of whom are co-chairmen of the management.

The two sides agreed on a bilateral cooperation plan for 1990, and proposed some orientations for their main cooperative activities in the 1991-95 period.

Since 1982, the Soviet hydro-meteorology branch has helped Vietnam install two meteorological radar stations in the northern port of Haiphong and the central port of Da Nang. It is helping Vietnam build a station to receive pictures from meteorological satellites covering Vietnam's eastern sea.

Freighter Agreement Signed With USSR

*BK2912075889 Hanoi VNA in English 0709 GMT
29 Dec 89*

[Text] Hanoi VNA December 29—Documents on a joint venture between Vietnam and the Soviet Union in L.A.S.H. [Lighter Aboard Ship] freighter transportation has been signed here.

The undertaking, the first of its kind to be signed by Vietnam, was established between the Vietnam Union of Sea-Coastal Transport Enterprises and two Soviet sea transport companies. It has a prescribed capital of 16.4 million rubles contributed on a par by both sides. The venture will be operational from January 1990 and is valid for ten years.

Le Kha, vice minister of communications and transport, and B.V. Milnik, counsellor of the Soviet Embassy here, were present at the signing.

Nguyen Van Linh Greet CSSR Party Leaders

*BK2812154589 Hanoi VNA in English 1503 GMT
28 Dec 89*

[Text] Hanoi VNA December 28—General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh today sent his congratulations to Ladislav Adamec and Vasil Mohorita on their election respectively as president and first secretary of the Communist Party of Czechoslovakia.

In his message, Party General Secretary Nguyen Van Linh wished the two Czechoslovak party leaders the best of health and success in their highly responsible tasks. He also wished the solidarity, friendship and cooperation between the two parties and peoples further consolidation and development.

Leaders Greet CSSR Counterparts on Election

*BK3012151289 Hanoi VNA in English 1433 GMT
30 Dec 89*

[Text] Hanoi VNA Dec 30—President of the State Council Vo Chi Cong and Chairman of the National Assembly Le Quang Dao today extended their congratulations to Vaclav Havel and Alexander Dubcek on their election as president of the republic and president of the Legislature of the Czechoslovak Socialist Republic.

In their message, the Vietnamese leaders expressed their firm belief that the traditional friendship and multifaceted cooperation between Vietnam and Czechoslovakia would be further consolidated and developed in the interests of the two peoples and of peace and social progress.

Polish Envoy Notes CEMA Role, Cooperation

*BK2812155189 Hanoi VNA in English 1505 GMT
28 Dec 89*

[Text] Hanoi VNA December 28—Polish Ambassador to Vietnam Stanislaw Gebala called a press conference here today on the current situation in Poland as well as the Polish Government's external policy.

He underlined the general traits of the economic, political and social situation in Poland in the recent past, and brought out main orientations for Poland's socio-economic development in 1990.

On the Polish Government's external policy, he said Poland continues to strengthen its cooperative and friendly relations with the Soviet Union and other fraternal countries and to promote its role as a member country of the Council for Mutual Economic Assistance. Poland will also constantly consolidate and develop its cooperation and friendship with Vietnam in the interests of the two peoples, he stressed.

Ho Chi Minh Specialists Given Cambodian Medals

*BK3012083989 Hanoi VNA in English 0714 GMT
30 Dec 89*

[Text] Hanoi VNA December 30—The State of Cambodia has presented the "Labour" Order, First Class, to Ho Chi Minh City and the National Defence Order, the "Labour" Order and the "Friendship" Medal to 110 specialists of the city for their assistance to Phnom Penh in all fields in the past years.

The conferment ceremony was held in Ho Chi Minh City recently under the chairmanship of Thong Khon, member of the Central Committee of the Cambodian People's Revolutionary Party, and mayor of Phnom Penh.

Vo Chi Cong Issues New Year Greetings Letter*BK3112151789 Hanoi Domestic Service in Vietnamese
1100 GMT 31 Dec 89*

["Text" of a "letter of new year greetings to compatriots and combatants nationwide" from Chairman of the SRV Council of State Vo Chi Cong; date not given—read by announcer]

[Text] Beloved compatriots and combatants: On the occasion of the new year, on behalf of the Communist Party of Vietnam [CPV] Central Committee, the National Assembly, the Council of State, and the Council of Ministers, I cordially convey my warm regards and heartiest new year greetings to all the compatriots—workers, peasants, intellectuals, combatants of the people's armed forces, families of fallen heroes, war invalids and sick soldiers, veteran cadres, families with meritorious services to the revolution, elders, youths, teenagers, children, people of all ethnic groups and religious beliefs, and our overseas compatriots.

Last year, carrying out comprehensive renovation in the spirit of the Sixth CPV Congress resolution, the compatriots and combatants throughout the country struggled stalwartly to overcome all difficulties and trials and create positive changes in the country's socioeconomic life. Prominent is the fact that we produced more than 20 million tonnes of grain, checked and drove down serious inflation, broadened socialist democracy, and promoted the people's role as masters. These important steps of progress have helped to gradually stabilize the socioeconomic situation and have strengthened our firm confidence in the nation's renovation undertaking.

On behalf of the party and state, I heartily commend all the compatriots and combatants for having upheld the traditions of heroism, worked diligently and creatively, brought into play the spirit of mastery, and scored many outstanding achievements in all fields for the cause of building socialism and defending the fatherland.

I praise the Vietnamese compatriots living in foreign countries for always thinking about the fatherland and for actively contributing to national construction.

On this occasion, I convey my warm greetings to international comrades and friends who are celebrating the new year in Vietnam.

Beloved compatriots and combatants: The tasks of national socioeconomic development in the new year are very heavy. Difficulties and weaknesses in various fields still remain serious. Let compatriots and combatants throughout the country strengthen solidarity, bring into play the successes already recorded, uphold the spirit of self-reliance, vigorously develop production, actively practice thrift, expand economic relations with foreign countries, resolutely struggle against all negative phenomena, firmly maintain discipline and social order, continue to build the all-people national defense system, be determined to outstandingly fulfill the socioeconomic targets and tasks for 1990 just adopted by the National

Assembly, and make a positive contribution to the world peoples' struggle for peace, national independence, democracy, and social progress.

In the new year, our entire people will further step up the renovation process and win many new successes to grandly celebrate boundlessly respected and beloved President Ho Chi Minh's birth centenary and other major national anniversaries.

My cordial salutations
[Signed] Vo Chi Cong

Further Reportage on National Assembly Session**Education Minister's Address***BK0101082790 Hanoi Domestic Service in Vietnamese
0500 GMT 25 Dec 89*

["Excerpts" from statement by Education Minister Pham Minh Hac at 23 December morning plenary meeting of the Eighth National Assembly's sixth session—with portions recorded]

[Summary] At the 23 December morning plenary meeting of the Eighth National Assembly's sixth session, Minister of Education Pham Minh Hac presented a number of issues concerning the collection of educational fees and supplementary teaching at various schools at present.

[Begin recording] "The collection of educational fees has been carried out for 4 months now, since September. Realizing that this would be a difficult task and would involve trips to hamlets, villages, and city wards, from the start our entire sector has exchanged views carefully on the methods of performance.

"To date, some localities—such as Dong Thap, Ben Tre, Hau Giang, Vung Tau-Con Dao, and Tien Giang—have collected educational fees at the rate fixed by the Council of Ministers or higher. Some other localities have postponed the collection due to difficulties and natural calamities. These include Son La, Thanh Hoa, Nghe Tinh, Quang Binh, and Quang Tri.

"Grade-9 students in some northern provinces, such as Ha Nam Ninh, are exempted from educational fees because these provinces are now in the first year of the educational reform program. Educational fees have not been collected from all level-1 general school students in such localities as Phu Yen and Khanh Hoa Provinces and Chau Thanh District and Ben Tre city, but have been collected under the form of sponsorship from first, second, and third graders in Minh Hai and Tay Ninh Provinces.

"Generally speaking, we are now expected to collect educational fees from 60 percent of the total number of students, from grade 4 to grade 12, throughout the country. The remaining 40 percent are exempted from educational fees."

The management and use of collected educational fees are quite different among various provinces and districts. In some localities, salaries have not been paid to teachers on schedule.

"We would also like to report to the National Assembly that at present, some schools still owe their teachers up to 4 or 5 months of salaries. Therefore, many localities have been compelled to use money from the collection of educational fees to pay for teachers' salaries."

We would like to propose the following to the National Assembly:

"First, from our study of the situation in a number of localities, we find that the collection of educational fees at present is of great importance to the maintenance of the contingent of teachers and teaching work. In view of this, we suggest that the collection of educational fees from level-II and level-III school students be continued according to Decision No 44 of the Council of Ministers, which authorizes the regulation of collected educational fees on the district and precinct or city and provincial scale to ensure rationalities among schools.

"Second, we should not collect educational fees from students of all grades and of level-I schools throughout the country in order to popularize level-I education. We should also not collect educational fees from students of all levels of education in the mountainous and remote regions and areas inhabited by the people of ethnic minority groups, except for those in cities and townships.

"Third, the state should increase the education budget in order to support the livelihood of level-I school teachers as well as other teachers in the mountainous and remote regions, areas inhabited by the people of ethnic minority groups, and on off-shore islands.

"Fourth, on our part, after a decision is reached by the Nation Assembly, we will continue supervising, correcting, and directing the collection and use of educational fees and the organization of supplementary teaching and study in all localities as stipulated in various documents." [end recording]

25 Dec Afternoon Proceedings

BK3112150089 Hanoi Domestic Service in Vietnamese
2300 GMT 25 Dec 89

[Radio Correspondent Truong Cong Hoa's report on 25 December afternoon meeting of the Eighth National Assembly's sixth session at Ba Dinh Conference Hall, Hanoi—with portions recorded]

[Summary] "At the afternoon meeting yesterday, Monday 25 December, 12 National Assembly deputies from Ha Son Binh, Son La, Haiphong, Ha Nam Ninh, Bac Thai, Vinh Phu, Quang Ninh, Quang Tri, Quang Ngai, Cuu Long, Ho Chi Minh City, and Haiphong presented their statements on socioeconomic issues in 1989 and socioeconomic tasks for 1990."

Dr Nguyen Xuan Oanh, deputy from Ho Chi Minh City, and other deputies dealt with the operation of banks and credit cooperatives, one of the most important issues at this session. Dr Nguyen Xuan Oanh said:

[Begin recording] The Central State Bank has done nothing at all as far as macro-economic management is concerned. Commercial banks have engaged in many negative activities because there are no laws governing their operation. This is a very important issue, for no banking sector in the world operates in so liberal a manner as ours. In Ho Chi Minh City alone, there are about 200 credit cooperatives; and they have taken over the role of commercial banks. Altogether, they control about 300 billion dong from depositors, but their chairmen know nothing whatsoever about banking operations. [end recording]

Comrade Mai Huong, deputy from Haiphong, suggested that the National Assembly hold a separate meeting on the issue of education. Since her report was short, another deputy from Haiphong, Comrade Vu Thi Lien, was allowed to take the floor. About investments in industrial production in 1990, she said:

[Begin recording] To improve product quality industry needs capital for new technology and equipment. Therefore, I propose that budget appropriations be allotted to commodity branches or enterprises that are capable of modernizing technology and equipment. [end recording]

Also on industrial production, Comrade Nguyen Thi Nhat, deputy from Quang Ninh, said:

[Begin recording] I propose that the party and state set up an organizational system from the central to local level to supervise the development of the small industry and handicrafts sector in accordance with the established policies. [end recording]

Comrade Le Van Hoa, deputy from Quang Tri, suggested that more vigorous thrift be practiced in production and life.

Comrade Tran Van Nam, deputy from Quang Ngai, proposed that the state step up weather forecasting work in order to avoid losses like those caused by several typhoons in 1989.

Comrade Truong Dinh Long, deputy from Vinh Phu, urged that the National Assembly adopt a strategy for developing the country's mineral resources.

Comrade Luong An, deputy from Son La, and Comrade Nong Duc Manh, deputy from Bac Thai, advanced specific proposals concerning ethnic minority people. Comrade Nong Duc Manh said:

[Begin recording] It is true that the situation in many mountainous regions has not changed over the recent decades. There are still no motor routes; cultural and social development is lagging; the rate of illiteracy is increasing steadily. All of these issues require comprehensive settlement. I propose that some member of the

Council of Ministers must be responsible for guiding the implementation of the development plan for mountainous regions. [end recording]

Many deputies were of the view that despite the production units' efforts to overcome difficulties, the guidance given by higher echelons is sometimes untimely and irrelevant. "Elaborating on this, Comrade Nguyen Co Thach, deputy from Ha Son Binh, said:

[Begin recording] "It can be said that we have paid attention to both micro and macro economic management. But over recent years, it is obvious that we have done more to solve problems at the micro rather than macro level. This year, however, we have performed relatively better at the macro level. Now, comrades, take the product contract system, the 5-component economy, or the self-management of enterprises for an example, in 1987-88 we experienced serious difficulties that were caused by the existence of a dual-price system and by the problem of exchange rates. In 1989, after we had resolved the two problems of prices and exchange rates, things began to pick up rapidly. Therefore, in my opinion, the state should pay more attention to the macro level in order to remove difficulties." [end recording]

26 Dec Assembly Proceedings

BK0101142190 Hanoi Domestic Service in Vietnamese
1100 GMT 26 Dec 89

[Report on the 26 December proceedings of the Eighth National Assembly's sixth session, by radio correspondent Tieu Lien—with portions recorded]

[Summary] "Today, the Eighth National Assembly's sixth session entered its eighth working day. At its morning meeting under the direction of Chairman Le Quang Dao, the National Assembly discussed the draft law on labor unions.

"Comrade Nguyen Van Tu, president of the Vietnam General Federation of Labor Unions, presented some major points of the draft law on labor unions which had been revised as concerns the position, role, functions, and tasks of labor unions in accordance with the suggestions made by the people. Differences in opinion still existed, however, on the labor unions' right to establish and carry out policies on labor and wages and social welfare policies that directly concern the laboring people's livelihood, and on their role in labor safety and social security.

"After hearing Comrade Nguyen Van Tu's presentation, the National Assembly deputies thoroughly discussed their differences. A total of 18 deputies briefly and succinctly expressed their frank and constructive opinions during the vigorous morning debate. Most of them affirmed the need to have a law on labor unions that is aimed at protecting the laboring people's interests and guarding against bureaucratism, red tape, and formalistic democracy. However, based on realities, they

deemed that the draft law on labor unions, in spite of the revisions that have been made, still does not meet the pressing requirements."

Vu Manh Vinh, deputy from Thai Binh, said:

[Begin recording] We must clearly distinguish mass organizations from state agencies. I endorse the view expressed by many deputies that labor unions have the right to supervision over and participation in all socio-economic areas; but it is necessary to define the extent of this right. [end recording]

Nguyen Quyen Sinh, deputy from Ho Chi Minh City, said:

[Begin recording] Under the current setup, it is the enterprise director and not the labor union secretary who is responsible before the law for the enterprise's operation. This is unfair. [end recording]

Stressing the labor unions' task to protect the laboring people's interests, Truong Quang Duc, deputy from Haiphong Municipality, said:

[Begin recording] I feel that besides its functions to participate in management and work out an agreement, labor unions must also intervene with the authorities to protect the workers' spiritual, economic, and political interests. Labor unions do not fully meet the workers' needs if they only participate in management and work out an agreement. [end recording]

"Most of the 18 deputies who spoke at the morning meeting did not endorse Article 11 of the draft law on the labor unions' responsibility for social security management; they proposed instead that management of the social security funds be turned over to the Ministry of Labor, War Invalids, and Social Welfare."

Pham Minh Chinh, deputy from Dac Lac, said:

[Begin recording] It is irrational to give a labor union, which is a mass organization, the right to economic and state management. In my opinion, the Ministry of Labor, War Invalids, and Social Welfare should make all the policies; and these policies should fall under the state's unified management. Labor unions should only supervise the implementation of these policies. [end recording]

"This afternoon, the National Assembly deputies continued their work at the Ba Dinh Conference Hall under the direction of National Assembly Chairman Le Quang Dao. The deputies voted not to pass the draft law on labor unions at this time and entrusted specialized organs with the tasks of supplementing and perfecting it for submission to the National Assembly at its next session.

"Also at this afternoon seating, Minister of Information Tran Hoan delivered a report on the draft law on the press. He took note of suggestions made by National

Assembly deputies and outlined the revisions to be made on the draft law on the press.

"National Assembly Deputies Ly Chanh Trung, Phan Quang, Nguyen Khai, Cu Huy Can, Nguyen Tai, Le Xuan Duc, and Pham Hung expressed their views on the draft law on the press. All of them categorically affirmed the party's leadership over the press and stressed the need to have a law on the press in order to guarantee the true substance of the freedom of the press and the freedom of speech. Favorable conditions, they said, must be created for the press to accurately reflect party lines and policies, effectively promote the national undertaking of renovation, and correctly voice the masses' feelings and aspirations."

Editor Reviews Assembly Session

*BK3012102589 Hanoi Domestic Service in Vietnamese
1100 GMT 29 Dec 89*

[Radio Editor Dinh Hai's "Review of Results of Eighth National Assembly's Sixth Session"]

[Summary] The Eighth National Assembly's sixth session was held from 18-28 December in Hanoi. At this session, National Assembly deputies devoted much time to studying, discussing, and deciding on socioeconomic and legislative issues. They carefully reviewed what has been done and what has yet to be done, assessed the actual situation, and pointed out the causes of successes and failures. On the basis of correctly evaluating the situation in 1989, they proposed suitable and correct methods for realizing the 1990 socioeconomic tasks.

"The National Assembly noted that this year, all the people and all sectors and echelons throughout the country have made great efforts to carry out the various resolutions of the National Assembly and achieved very important initial successes, thereby bringing about positive changes in the socioeconomic situation. With a grain output of more than 20 million tonnes, with inflation being put under control and reduced, with socialist democracy being broadened and developed, with security and national defense being consolidated, with external economic relations being expanded, and so forth, the people's life has begun to improve, and a momentum has been created for us to get out of the crisis that has lasted for many years.

"However, the changes and results achieved in 1989 are not yet stable. Our country's socioeconomic situation still reveals weaknesses and difficulties in many aspects."

This requires that our people and state continue to carry out the renovation undertaking and strive hard to bring about even more fundamental and stable changes in national socioeconomic development in 1990.

After holding group discussions and plenary debates, National Assembly deputies voted for the passage of a resolution on the tasks of socioeconomic development for 1990, which spells out five socioeconomic objectives

and sets five key targets with gross national product up by 6 percent as compared against 1989, national income from production up by 6.2 percent, export revenue up by 40 percent, agricultural output up by 5 percent, and industrial, small industry, and handicrafts output up by 6-8 percent.

At this session, the National Assembly passed a law on the press and a law amending and supplementing some articles of the criminal code.

"Regarding the draft law on labor unions, which had been discussed by the National Assembly at its fifth session and made public to solicit opinions from the people, the National Assembly deputies—in view of the divergent opinions expressed during debates and especially because of the unclear definition of the functions and authorities of labor unions as well as the managerial function of state organs—decided by a majority vote not to pass it at this session and instructed the Vietnam General Federation of Labor Unions and the National Assembly Judiciary Committee to join the Council of Ministers in revising the draft based on the suggestions of National Assembly deputies and further collect opinions from labor unions at various levels and the sectors concerned before submitting it to the National Assembly for adoption at its seventh session."

The National Assembly also gave its views on the four draft laws on taxes and charged the Council of State with making them public to collect the people's opinions before submitting them to the National Assembly for adoption at its next session in 1990.

In carrying out President Ho Chi Minh's testament, the National Assembly decided to reduce by 50 percent agricultural taxes on cooperatives, production collectives, and peasant households nationwide for 1990-91.

"At this session, the National Assembly also elected additional personnel to the National Assembly and the Council of State."

Changes in Discussions Noted

*BK3012151189 Hanoi VNA in English 1420 GMT
30 Dec 89*

[Text] Hanoi VNA Dec. 30—With frank, democratic and sometimes heated discussions of all issues before voting, the recent sixth session (from Dec. 18-28) marked a new step forward of the Vietnamese National Assembly in the exercise of the power and task of this highest state organ of power.

While in the previous years, the National Assembly used to convene only to be informed of and adopt questions which had been decided by an earlier plenum of the Central Committee of the Communist Party of Vietnam, that has no longer been the case with the fifth and recent sixth sessions. As pointed out by Politburo member and State Council President Vo Chi Cong to the head delegates on Dec. 15 before the opening meeting, the party only works out the major directions and tasks and it is up

to the National Assembly to debate and decide the concrete policies and measures. Hence, a meeting of the party Central Committee before the National Assembly meets is no longer necessary.

Vo Chi Cong affirmed the correctness of the party policy on overall renovation and more particularly the renovation of the party leadership toward the activities of the National Assembly. He said: "The National Assembly is the highest organ representing the people's right to mastery. The party must create conditions for the National Assembly to really represent the people in deciding all important issues of the country."

During ten days of intense debate, some meetings extending into the evening, the National Assembly discussed and decided on important socio-economic issues and a number of draft laws which involved frank airings of differences of view, and sometimes heated arguments, at group as well as plenary meeting discussions.

For instance, most deputies did not agree with many articles in the draft law on the trade union. One said that the draft law has not clearly distinguished the function and power of the trade unions from the managerial function of the state organs. Finally, it was decided to put off the debate until the next session after they have been fully amended.

The draft law on the press was adopted after many modifications involving 31 points in 21 articles of a total of 31 articles. Some issues in this law such as whether or not it is necessary to have private newspapers and to ask permission for publishing a newspaper, who may appoint or dismiss the editor-in-chief or director of a newspaper, the right of the supplier of information to remain unanimous, etc., were voted separately after heated debates.

On the socio-economic situation, most speakers attributed the visible achievements in 1989 to the stepping up of renovation in all fields, especially renovation in state management and in socio-economic activities. At the same time, they pointed to the weaknesses of the state apparatus in handling economic issues on macro-economic level.

Citing convincing proofs, many deputies said that the people's democratic rights have not been ensured and formal democracy still prevails. They asked the state to actually guarantee the working people's democratic rights, severely punish the criminals and those who abuse power to make personal benefits. They also denounced the growing trend to extravagant and luxurious living among a few officials.

A number of MPs pointed to the irrationalities in a series of policies such as the policy towards the Army, toward cultural and art workers, the mountainous areas and areas predominantly inhabited by ethnic minorities, the policy on small industries and handicrafts, on taxation, on the interest rates, etc. They criticized the Council of

Ministers for the weaknesses in macro-economic management, the lack of prognostication and determination and even a tendency to inactivity in some social and economic problems.

Criticisms were also levelled at the banking and financial services. Many deputies interpellated Director-General of the State Bank Cao Si Kiem about the poor performance of the banking system and the widely reported thefts and defraudations by many of its members, and demanded stricter punishment. Although 235 employees of the banking service have received penalties at various degrees, 50 of whom have been brought to trial. Other deputies requested Minister of External Economic Relations Doan Duy Thanh to answer about the rumour of illicit dealings in export quotas by different localities and services.

All the debates, at group meeting and in plenary sessions, were reported live over the radio and on television. Unlike in the previous sessions, the press was allowed in at all meetings of the deputies.

Council Issues Afforestation Decision

*BK2512095489 Hanoi Domestic Service in Vietnamese
2300 GMT 22 Dec 89*

[Text] The Council of Ministers recently issued Decision No 354-CT ratifying afforestation plan for the Da River basin and the Hoa Binh hydroelectric power plant. The decision stipulated that the afforestation plan for this area covers 24 districts and cities of Lai Chau, Son La, Hoang Lien Son, and Ha Son Binh Provinces with an area of 2.568 million hectares.

The Council of Ministers has assigned the Ministry of Forestry with the task of designing measures for implementing this afforestation plan. The formulation of an investment plan must be based on the socioeconomic objectives in order to protect the environment and promote cultivation, animal husbandry, and family economy in the direction of developing the commodity-based economy.

Insects Damage Crops in Southern Provinces

*BK2512143589 Hanoi Domestic Service in Vietnamese
2300 GMT 24 Dec 89*

[Text] According to the Crop Planting and Vegetation Protection Department of Zone Two, aphelenchoides oryzae and stem borers have appeared on 5,000 hectares of the 10th-month and early winter-spring rice crops in Minh Hai, Hau Giang, Ben Tre, and Tien Giang Provinces and Ho Chi Minh City. Moreover, brown planthoppers have affected the 10th-month rice crop in some localities, especially in areas planted with the IR-42, IR-64, and IR-19728 strains in Tien Giang, Minh Hai, and Long An Provinces and Ho Chi Minh City.

To actively control the harmful insects and diseases, peasants are carrying out field sanitary measures by

avoiding sowing in high density, applying fertilizer correctly, and making regular inspections of the fields to promptly discover crop pests and diseases.

Australia**Envoy To Launch 2d Round of Cambodia Dialogue***BK0201084090 Hong Kong AFP in English 0822 GMT
2 Jan 90*

[Text] Canberra, Jan 2 (AFP)—Australia's special envoy Michael Costello leaves here Wednesday for a second round of talks on Foreign Minister Gareth Evans' Cambodian peace proposal, an official spokesman said here Tuesday. A senior Foreign Affairs Department spokesman told AGENCE FRANCE-PRESSE that Mr. Costello would be visiting Bangkok, Hanoi, Phnom Penh, Paris, New York and Washington on his two-week tour.

Mr. Costello, 41, would be holding further discussions about how an interim United Nations administration could be put into place in Phnom Penh to make way for free elections, the spokesman said. Mr. Evans has said that Canberra was encouraged by the first round of talks, which ended December 23, describing them as useful and having shown "a consensus of interest" in Australia's proposal for UN involvement.

Mr. Costello, a deputy secretary of the Department of Foreign Affairs, leaves Wednesday for Bangkok, where he will see Khieu Samphan, a representative of the Khmer Rouge. From there the senior Australian official goes to Hanoi, where he meets Vietnamese Foreign Minister Nguyen Co Thach on January 6, then to Phnom Penh on January 8, where he is scheduled for talks with Prime Minister Hun Sen. Mr. Costello met both men during his first tour as he discussed the Australian peace plan, unveiled November 24 by Mr. Evans.

The plan revolves around replacing the Vietnam-backed Hun Sen government with a UN administration and vacating the UN seat currently held by the Coalition Government of Democratic Kampuchea (CGDK), comprising Prince Norodom Sihanouk, Son Sann and the Khmer Rouge.

Mr. Costello met Prince Sihanouk in Beijing during the first round of talks, and on this tour he completes discussions with the CGDK. He is expected to see Mr. Son Sann in Paris when the Australian official arrives there on January 11 for talks with the French Government as co-chairman with Indonesia of last year's Paris conference on Cambodia.

On January 12, Mr. Costello is due in New York to meet Rafeedin Ahmed, the UN under secretary general and the secretary general's special representative on Cambodia. Arrangements were also being made for Mr. Costello to see the five permanent members of the UN Security Council. On January 17, he will be in Washington for appointments with Richard Solomon of the State Department and Carl Jackson of the National Security Council, before returning to Australia on January 19.

Mr. Costello's first tour covered Hanoi, Ho Chi Minh City, Beijing, Tokyo, Bangkok and Jakarta. It involved discussions with representatives of the Governments of Vietnam, Cambodia, China, the Soviet Union and the Association of Southeast Asian Nations (ASEAN).

Mr. Evans has said that he would not go into detail about the position or views of individual representatives involved in the initial consultative round. The spokesman said that the precise form of UN involvement was still to be sorted out and was likely to require "complex and difficult negotiation".

Mr. Evans also said that while he was still a long way from being confident that the proposal would succeed in breaking the impasse, he felt that the odds had shortened considerably. When he first proposed his plan, Mr. Evans said that the odds were more than 100-to-1 against, but after Mr. Costello's discussions those odds had shortened to 10-to-1. Mr. Evans said he felt there was intense interest in the Australian proposal and it was proving to be a catalyst for a new round of thinking about how the Cambodian problem might be solved.

The spokesman said that as a result of this and also because of the view put forward by Indonesian Foreign Minister Ali Alatas, representing ASEAN, that Mr. Costello should continue the process of consultation, that Mr. Evans had decided his special envoy should undertake a further round of talks as early as possible.

Foreign Minister Postpones South America Visit*BK0101074090 Melbourne Overseas Service
in English 0500 GMT 1 Jan 90*

[Text] The foreign affairs and trade minister, Senator Gareth Evans, has postponed indefinitely a visit to South America which was scheduled to begin later this month.

A spokesman for the Department of Foreign Affairs and Trade says the 3 and 1/2 week round of high-level meetings would clash with the forthcoming visit to Australia by the Soviet premier, Mr Nikolay Ryzhkov. Mr Ryzhkov, the most senior Soviet Government minister ever to visit Australia, arrives on 13 February. The foreign affairs spokesman says that Senator Evans also does not want to go so far away for so long while the government is actively pursuing its proposal for a peace settlement in Cambodia.

Senator Evans' special envoy, Mr Michael Costello, leaves Australia again later this week for further discussions on the Australian proposal for a United Nations interim administration in Cambodia.

Senator Evans' visit to South America was to be the first trip to the region by an Australian foreign minister for many years.

Cook Islands

Government Adopts Fines for Driftnet Fishing

BK2712063889 Hong Kong AFP in English 0629 GMT
27 Dec 89

[Text] Suva, Dec 27 (AFP)—The Cook Islands has adopted laws setting fines of up to 148,000 U.S. dollars for those caught fishing with driftnets in its waters, the government-owned newspaper reported. The report in the Cook Island news, carried Wednesday by the South Pacific news exchange service PACNEWS, said Parliament approved the measure as part of comprehensive legislation on fisheries development.

The laws ban driftnet fishing, a widely criticised practice that uses massive vertical nets to catch tuna, often trapping all other marine life in their way.

In addition to providing for fines of up to 148,000 U.S. dollars for driftnetters, the legislation lays down procedures for the licensing and control of local and foreign fishing operations, the report said. The Cook Islands, with a population of 17,185, is a self-governing state in free association with New Zealand. It is part of the South Pacific forum which has fought to end driftnet fishing, principally by vessels from Japan, Taiwan and South Korea. The Cook Islands also signed a convention on a general driftnet ban which was adopted in Wellington last month.

Fiji

Premier Plans New Cabinet When Rabuka Leaves

BK0201040090 Melbourne Overseas Service
in English 0300 GMT 2 Jan 89

[Text] Fiji's interim prime minister, Ratu Sir Kamisese Mara, will announce a new cabinet after coup leader

Major General Sitiveni Rabuka steps down as minister for home affairs. AUSTRALIAN ASSOCIATED PRESS quotes a government spokesman as saying the general will fulfill his promise made late last year to return to the barracks where he will continue as commander of the republic's armed forces, the post he assumed after ousting the newly elected Indian majority coalition government in May 1987.

AAP says the major task this year for the new cabinet will be to oversee the implementation of a new constitution to replace that abrogated after the second Rabuka coup in October 1987 when Fiji became a republic.

President Ratu Sir Penaia Ganilau says the constitution would be considered by a meeting of the Great Council of Chiefs late next month and should be ready for promulgation during the second half of this year. He said the constitution would embody the basic principle that the ethnic Fijian people are to have, through a parliamentary majority, political strength in the land of their forefathers. An equally important principle for Fiji, Ratu Sir Penaia said, was that the people of other races would have an influential and effective voice in the direction of their nation's affairs.

Papua New Guinea

Governor General Dies 31 Dec 'After Long Illness'

BK0201081990 Melbourne Overseas Service
in English 0800 GMT 2 Jan 89

[Text] The Papua New Guinea Government has declared Friday [5 January] a public holiday and a day of national mourning over the death of the country's governor general, Sir Ignatius Kilage. Sir Ignatius, regarded as one of the country's leading statesmen, died on Sunday [31 December] in Port Moresby after a long illness. Many national and provincial leaders as well as dignitaries from the Pacific are expected to attend a state funeral for Sir Ignatius being arranged for Friday.